Daily Report

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FBIS-EEU-93-132 *13 July 1993*

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Christian Democrats To Form Crisis Council

LD0907192693 Budapest MTI in English 1423 GMT 9 Jul 93

[Text] Budapest, July 9 (MTI)—A proposal by Hungary's Christian Democratic People's Party (CDPP) to set up a European Crisis Council was accepted by the European Christian Democratic Union and the Federation of the European Community's Christian Democratic Parties, the European Peoples' Party, in Luxembourg.

The new council would be called within 24 hours if Hungary were threatened by any danger from outside, including military action, said CDPP Deputy Chairman Laszlo Varga, who worked out the proposal. Varga returned Friday from the Luxembourg conference.

Under the proposal, the council would immediately notify NATO, the North Atlantic Council Assembly, the UN Security Council and Helsinki process member states, of any conflict and call for action.

Meanwhile, Varga said he had talks in Luxembourg with Croat Deputy Foreign Minister Ivo Sanadel, who firmly denied rumours that Croatia was planning military action via Hungarian territory to reoccupy the Baranya Triangle.

Varga said Sanadel unambiguously and resolutely supported peaceful and good ties with Hungary.

Money Laundering, Mafia in Slovenia, Croatia

93BA1173E Ljubljana DNEVNIK in Slovene 19 Jun 93 p 10

[Interview with Franco Juri by Meta Roglic; place and date not given: "Omerta on the Sunny Side of the Alps"]

[Text] At the end of 1990, former LDS [Liberal Democratic Party] deputy Franco Juri submitted a delegate's question: Was part of the casino money really flowing into the State Security Service's [SDV] treasury? For almost three years, no one has given him an answer to that question. The first part of the answer is only being indicated now, with the emergence of the HIT-VIS [Security-Information Service] scandal.... It is becoming more and more obvious that it will not just affect HIT and VIS and their "connection".... Thus, for example, Venetian Judge Franceso Saverio Pavone, in an interview for MLADINA, warned about an investigation's findings that Italian criminal organizations were involved in loan banks at Bled, and were especially laundering dirty money in Portoroz.... We asked Franco Juri, who (even though he did not receive an official answer to his question) has attentively followed various hints about the gambling industry's links with the SDV and the Italian Mafia, why he had asked that question three years ago and on the basis of what information, how much the Italian Mafia had infiltrated Slovene territory, in his opinion, and how Slovenia should combat Mafia activity.

[Roglic] Your question about casino money flowing into the treasury of UDBA [State Security Administration] or the SDV is often mentioned as the reason why HIT and also the Portoroz casino started to be monitored. How did you actually pose that question?

[Juri] The basis for the question was information and assessments that had been confided in me, as a deputy, by some croupiers at the Portoroz casino, including also the well-known Miran Lipovec, who was the only one to risk himself publicly and try to warn even then about all aspects of the games of chance. At that time I also learned that there was a certain Mr. Gino Chiesa (who was later determined to be using four names—in addition to that one, also Aldo Fanelli, Luigi Ciccarelli, and Gino de Maria), who was involved in certain illegal actions in Italy, as a result of which Italy even demanded his extradition in 1987. During that period of the transition to a democratic society, when certain changes were also taking place in the SDV, I thought that it would be good for me to address a specific question to Igor Bavcar, who was then the interior minister. Since I did not have written evidence and I could only cite information that I had received verbally from the croupiers, the question that I asked and to which I have not yet received an answer was very short.

Did Bavcar Know?

[Roglic] Consequently, even then you had only received hints about possible ties among the casinos, the UDBA, and the Italian Mafia?

[Juri] I mentioned Gino Chiesa, who is known on the coast as a very rich man and of whom many people are afraid. When he came to the coast in 1984, he obtained all the licences without any difficulties at all, and I think that a parliamentary investigative commission should determine why people in Ljubljana made it possible for him to obtain all sorts of privileges illegally, even citizenship. I also contacted a representative of the Italian consulate in Koper and asked him whether he was familiar with the Chiesa case. He answered that they did know something about it, but nothing precise, and consequently I should contact the head of the police headquarters in Trieste. Since I did not feel authorized to do so, I did not do it, and advised Miran Lipovec and the other croupiers that they should provide the information that they had given me to then Interior Minister Igor Bavcar. That is why I conclude that Igor Bavcar was already warned at the beginning of his term as minister about possible ties among the casinos, the UDBA, and the Italian Mafia.

Recently some of the media have reported very extensively on Gino Chiesa's ties with the so-called Brento Mafia from the Venice region. One of the strategies for expanding the Italian Mafia network, of course, is acquiring a monopoly over several economic sectors in Italy and abroad. Since an almost revolutionary reversal is taking place in Italy in the struggle against the Mafia, it is defending itself convulsively, and at the same time

seeking new room to maneuver, primarily in eastern countries. It is well known that the Italian Mafia very successfully established ties with the Russian Mafia. Croatia and Slovenia are very much of interest because they permit certain types of control over all of the former Yugoslavia. With the introduction of Markovic's reforms, conditions arose that also made it possible for the Mafia to penetrate this region, especially in several "successful sectors," i.e., where activities were taking place that allowed that kind of penetration by their very nature. Gambling was undoubtedly the leading one among them.

[Roglic] It seems that the interests of Italian criminal organizations are not the same in all the Istrian casinos....

[Juri] It is clear from everything known to date that several casinos in Slovenia and Croatia were under investigation by the Italian police, but not HIT. That indicates differences within the gambling world and within the sphere of interest of the Mafia and other interested parties. One of the possible hypotheses is that it was precisely the participants who were trying to seize a monopoly over gambling in Croatia and Slovenia who tried to redirect all the attention to HIT, since HIT had obviously become "independent," when the connection between the UDBA and the casinos collapsed and it no longer paid part of the commission to the loan banks. Of course, that independence by no means relieves HIT of the questionable legality of some actions, but that area is for the police detective service and the judicial system. The Mafia is also an eminently political issue.

Three Hypotheses

[Roglic] Italy already demanded the extradition of Aldo Fanelli in 1987, but it has not happened to this very day. One of the questions that also came up in meetings of the parliamentary investigative commission is why nothing changed, even after the 1990 elections.

[Juri] I raise the delegate's question in 1990 precisely with the intention of hinting to the minister that information on this was circulating and that it was necessary to take measures. Since even with the well-known dossier on HIT, which amounts to 1,500 pages, there is actually no specific information on the Portoroz casino, I can only conclude three things. The first hypothesis is that Igor Bavcar and the chief of VIS at that time were incompetent and did not succeed in learning anything about the casino—which I doubt. The second possibility is that Igor Bavcar or Miha Brejc is still keeping additional material; and the third possibility is very bad, namely that in spite of the halt in paying commissions to the new State Security Service, the people at the casino offered some different services and thus preserved the status that they had in Yugoslavia. Those are the only three hypotheses that can explain why Gino Chiesa is still so important in Portoroz, and why he was not handed over to the Italian authorities, but instead even received numerous privileges.

[Roglic] Could we then say of Dr. Drnovsek's government that it has had too little time to take certain steps, or could we possibly continue with one of the three hypotheses?

[Juri] I hope that there was too little time, and that they have finally started to clear things up.

[Roglic] One of the links between Slovenia and the Italian Mafia that is being mentioned more and more often is the arms trade.

[Juri] In 1991, I had in my hand a document from the Italian police headquarters saying that part of the drug and arms trade was under the control of the Croatian Government, and that the trade was taking place primarily in Istria. That is why the presence of some well-known Mafia families in Istria, which was discussed a great deal on the coast, was very topical a few months ago. That is an extremely sensitive topic, however, regarding which we will encounter silence, "omerta," a word that means silence in Sicily and indicates that there are too many people involved in the matter, that they are protecting each other, and that things would not develop into a real catastrophe.

Clearing Up the Role of the Loan Banks

[Roglic] Do you perhaps have any information about whether the Slovene political leadership is also involved in that trade, and to what extent?

[Juri] I would not venture to claim that, since for the time being there is no tangible evidence of it. In this regard I would like to emphasize that it seems unfair to criminalize the arms trade as a whole. At a certain time we were all in agreement that Slovenia's independence was necessary. If weapons were purchased during the period of preparations for independence and upon independence, then, searching for culprits would be politically controversial and a sort of hypocrisy. It is another question, however, if the limit of national interest was overstepped and someone enriched himself by selling and buying weapons. I think that most of the delegate questions on this matter are directly precisely toward this second and truly criminal side of the trafficking. Any possible cooperation with the Mafia would also be criminal.

[Roglic] Recently we have heard several times that to a great extent the Slovene scandals have been instigated by the Italians, since the casinos in Istria are taking away a significant part of their profits, and by pointing to Slovenia, they are also turning attention away from their own internal difficulties....

[Juri] Italy has recently been engaged in a very radical conflict with the Mafia, and is trying to create provocations wherever it thinks that the Mafia is present. I have the impression that the Italian investigative authorities are also trying to find out as much as possible about events here and to offer certain information that would encourage an investigation here. On the other hand, we

have also seen the input that was provided by Bruno Sacco's circle: Sacco is trying to incriminate Kovacic, which he is doing from Mombasa. In this regard, it is very interesting that according to well-informed sources Gigi Picozzo, the new representative of the loan bank service in Portoroz, recently traveled to Kenya. That possibly means that these ties are still functioning and that these individuals are actively involved in the dispute with HIT.

[Roglic] How, then, can the Mafia be prevented from influencing Slovene casinos?

[Juri] I think that first of all we have to clear up the role of the loan bank services, since the dirty money that comes from Mafia activities on the other side of the border is laundered through them. In this regard, the question is whether Slovenia will be capable of preparing a law that will prevent money-laundering, or whether loan banks will even have to be banned, if it is proven that certain relations exist with illegal activities on the other side of the border. I personally am opposed to the complete privatization of gambling, and I also support limiting the influence of gambling on the development of our economy and tourism. Slovenia cannot afford a Las Vegas and cannot become a Las Vegas, since that would mean a radical impact on the psychological and social structure of the population. In a small country that obtained sources of vital profits that way, a gambling mentality would predominate, and that would mean burying many of our aspirations.

Malaysia Offers Economic Training Facilities

BK1207072093 Kuala Lumpur BERNAMA in English 0427 GMT 12 Jul 93

[Text] Tirana, July 12 (OANA-BERNAMA)—Malaysia offered training facilities to Albanians in areas where it has the expertise under its technical training programme with the aim of enhancing bilateral relations.

In announcing the offer Monday, Prime Minister Dr. Mahathir Mohamed said Malaysia was ready to share the experience and expertise it had accumulated in different aspects of economic management and planning, including the privatisation of government industries.

Speaking at the official luncheon hosted by his Albanian counterpart, Aleksander Meksi, at the palace of Brigede, here, he said the government would also encourage the Malaysian private sector to participate in the economic development of Albania through investment and joint-venture in areas now open to foreign participation.

As a country that has an open economy and practises the free enterprise system, Malaysia has an active private sector that has made significant contribution to the country's economic development, he said.

Malaysian businessmen and entreprenuers are encouraged to seek new markets and invest overseas in projects that could bring benefit to Malaysia and the country concerned, he said.

Dr. Mahathir, who arrived here yesterday for a three-day official visit, had talks with Albanian leaders including Meksi and President Seli Berisha.

Describing the talks as very useful, the prime minister said he was now better acquainted with Albania's policies and programmes for economic development to bring progress and prosperity to the people in an atmosphere of freedom and democracy.

It is indeed a daunting task to undertake... a task that not only requires enormous capital and know-how but also a new frame of mind and attitude, he said.

He said Malaysia had gone through such an experience when, upon achieving independence in 1957, it had to undertake a series of development programmes to alleviate poverty and to transform the economy from mere dependence on export of primary commodities to one that was diversified, with strong emphasis on processing and manufacturing industries.

Its efforts succeeded due to a combination of several factors, among them the right policies, hard work and discipline, political stability and the ability of the different ethnic and religious groups that make up the Malaysian population to work together as a nation, he said.

Today the people of Malaysia are enjoying one of the highest standards of living among developing countries and are confident of achieving our goal of becoming a developed country by the year 2020, he said.

Speaking on the latest development in Bosnia-Herzegovina, Dr. Mahathir said Albania's close proximity to this horrendous scene of genocide and ethnic cleansing (by the Serbs) had understandably caused acute concern to your country as it does to us in Malaysia. He said the unwillingness of the major powers to take resolute and decisive action to put an end to the open aggression against the independence, sovereignty and territorial integrity of Bosnia- Herzegovina and the blatant abuse of human rights of the Bosnian people, was totally incomprehensible and unacceptable.

The prime minister said Malaysia also shared Albania's anxiety and concern over other developments in the former Yugoslavia, especialy the situation in Kosovo where the population, mostly of Albanian descent, was being put under tremendous pressure by the Serbs.

We agree that preventive action should be initiated for the peace and stability of the Balkans and the region, he said.

Meksi Receives Prime Minister Mahathir

AU1307092993 Tirana ATA in English 0823 GMT 13 Jul 93

[Text] Tirana, July 13 (ATA)—President Berisha had a meeting on July 12 with the prime minister of Malaysia, Dr. Mahathir bin Mohamed. After expressing the great pleasure for the visit, President Berisha expressed to the guest from Malaysia the desire of Albania to establish friendly relations with Malaysia and other friendly countries. President Berisha dwelt on the reform undertaken in Albania regarding the stability in the economy and privatization. He thanked Malaysia for the aid it has rendered by accepting Albanian students there. He voiced Albania's desire that relations with Malaysia extend in the political and economic field, cultural and other fields of common interest. The president stressed that this visit marks an historic event in the relations between the two countries and asked the Prime Minister Mahathir bin Mohamed for Malaysia's support to Albania in international institutions regarding the political and economic aspects. He also asked that the government of Malaysia should encourage private investors to come in Albania.

Prime Minister Dr. Mahathir bin Mohamed said that a common point for the two countries is the fact that they have several religious communities but, fortunately, peaceful coexistence and tolerance determine inter religious relations.

He presented the economic reform of Malaysia, where the process of privatization has started since 1981 and now is near completion. Most of the state enterprises that were not profitable, were privatized. Now, the state

has a great profit through the taxes from these enterprises. Telecommunications, electric power, streets and sea ports are now private in Malaysia.

He expressed the readiness of his government to welcome Albanian specialists to study this experience. Additionally, Malaysia may be visited by employees of the banks, because Malaysia, with a very developed banking system, organizes courses for specialists from all eastern countries. The same can be arranged for specialists of oil, a very developed sector in Malaysia. He promised to encourage the private business of his country to come to Albania, especially "The producers of textiles may come in Albania, because you have favouring quotas of export in the EC," he said.

President Berisha acquainted the Malaysian guest with the opinion of Albania on the situation in former Yugoslavia and in the region, stressing the danger that the creation of great Serbia may present. Prime Minister Dr. Mahathir bin Mohamed voiced similar points of view.

They underlined that opening of the Albanian Embassy in the capital of Malaysia, Kuala Lampur will serve the consolidation of relations between the two countries.

Talks Between Delegations of the Two Countries

On the same day, talks were conducted between the delegations of the two countries, led by the chairmen of the two governments, Meksi and Mohamed. Prior to talks between the two delegations, the two ministers had a tete-a-tete talk. "Bilateral cooperation for the realisation of concrete projects, the main direction of relations and the common desire for peace in the region were the main questions I discussed with my colleague," Prime Minister Meksi declared after the meeting.

For two hours, the two delegations talked on Albanian priorities of the development of the economy. "This is a visit," Mr. Meksi said, "which, we hope, will have its impact at all levels, because contacts are indispensable to create the spirit of friendship and cooperation as elements necessary for the future of the relations between the two countries."

The prime minister of Malaysia voiced the desire to help Albania and the main reason for this he mentioned the support for the new democratic government and the whole Albanian political and economic system. Further on, he acquainted the Albanian party with the main elements of his country, and particularly the development of trade.

"We would like to have more traditional partners in the trade cooperation, Albania included. This will possibly contribute to the rapid progress of Albania," Mr. Mohamed said. He supported the opinion of his Albanian colleague, Meksi, for continuous contacts at high official levels and of private investors to determine the fields of common interest.

During the talks, they emphasized the possibilities of cooperation in agriculture and mainly in the industry of mineral extraction and processing, in transportation, tourism, infrastructure and in the bank system.

Prime Minister Meksi voiced the desire for greater relations and cooperation, defining the main points of this cooperation. The prime minister of Malaysia suggested cooperation in the field of planning, private sector, fiscal policy, etc.

Meeting With the Speaker of the Albanian Parliament, Arbnori

The chairman of the Presidency of the People's Assembly, Pjeter Arbnori said in the meeting with the prime minister of Malaysia, Mahathir, that with the triumph of democracy, Albania has now become known in the world. "We are a European country, but this does not prevent us from establishing friendly relations with far countries such as Malaysia, for which we have a special respect because she has reached high levels in technique and technology," Mr. Arbnori said. "Right after the triumph of democracy in our country," Prime Minister Mahathir said, "We followed the example of the European system, and, differently from some other states that passed on to totalitarianism and eliminated the possibilities of becoming prosperous, we had successes and perspective."

Mr. Arbnori voiced the desire of having relations between the two parliaments. He accepted the invitation of the prime minister of Malaysia to visit the parliament of that country.

U.S. Government Declines Proposal on Corridor

AU1207174993 Sofia BTA in English 1450 GMT 12 Jul 93

[Text] Sofia, July 12 (BTA)—Bulgarian Prime Minister Prof. Lyuben Berov received the ambassador of the United States to Bulgaria, Mr. Hugh Kenneth Hill, today. Mr. Hill familiarized Prime Minister Berov with the answer of the U.S. Administration to the Bulgarian Government's demand for a transport corridor across Serbia. The U.S. Administration realizes the economic difficulties which the Bulgarian economy faces in result of the observance of sanctions against Serbia-Montenegro, but on the other hand Washington does not see how the prohibition on the transport of goods under UN Security Council Resolution 820 could be made compatible with the transit passage corridor via Serbia, the government's press service informed.

In the answer Bulgaria is called upon to make use of the so-called "convoys" sailing along the Danube and transport its goods from and to Western Europe on barges. Mr. Hill informed the Bulgarian prime minister about his recent talk with Mr. Russel Kincaid, representative of the International Monetary Fund, concerning the possibility of the big international financial organizations rendering assistance in the development of the Balkans' transport infrastructure.

Prof. Berov thanked for the timely answer of the U.S. Administration to the Bulgarian demand for a transport corridor across Serbia. He informed the U.S. ambassador that Bulgaria's fleet of barges was not a large one. Upstream navigation along the river is rather slow, in result of which certain goods and products get spoilt quickly, Prof. Berov pointed out. Bulgaria needs real aid now—providing it with an outlet for its goods to Central and Western Europe, and not in two or three years, the time the construction of new bridges across the Danube and of other transport routes across Bulgaria would take.

Commentary Sees Limitations of G-7 Agreements

AU1207194893 Sofia KONTINENT in Bulgarian 8 Jul 93 p 8

[Georgi Ch. Apostolov commentary: "The Path of the Economy"]

[Text] The end of the cold war played a dirty trick on the world's most exclusive political club—the group of the seven most developed industrial countries.

Established as an unofficial economic forum in 1975 and having preserved its status to this day, the G-7 from its very beginning started operating in a closed circle. Without being authorized to adopt any binding decisions, the leaders of the most influential economic powers were unable to turn their annual meetings into fruitful conferences. The good wishes and appeals were not in a position to halt the negative economic trends toward the intensification of protectionism and toward a imbalance in trade relations. Hence, at the peak of the cold war in the 1980's, increasing emphasis was laid on political problems, a trend which started on the occasion of the memorable Williamsburg meeting.

The fall of the Berlin Wall created a new atmosphere and the leaders of the seven powerful states were once more obliged to focus their attention on economic problems. These problems, however, which were not resolved within the framework of official international organizations, could hardly be expected to be resolved at the G-7 forum. The seven partners' only resource is to praise each oral agreement as "a success" and a "breakthrough." Hence, the enthusiasm with which the consensus on pursuing the multilateral trade agreements within the framework of GATT, which had been stagnating for the last three years, was welcomed in Tokyo, soon cooled off, and was postponed to the original place of the negotiations, namely to Geneva.

OSD Council Opposes Early Elections

AU1107155593 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 10 Jul 93

[Text] Today the Political Council of the Alliance for Social Democracy [OSD] in the BSP [Bulgarian Socialist Party] held a meeting in Sofia. The council reviewed the political situation in the country and made an assessment of the present situation and likely future developments. The council also discussed certain organizational matters connected with the state of the OSD and its future work. Here is what Chavdar Kyuranov, chairman of the OSD, had to say about the proceedings:

[Begin Kyuranov recording] A question that we considered in great detail was the issue of the so-called early elections. The OSD holds the view that early elections are not necessary, but that local elections should be held prior to holding elections to the national legislature. A special report was presented on this issue, which gave rise to lengthy debates.

The meeting also discussed the OSD's participation in the work on drafting the BSP program document. The Political Council reached the view that the OSD should have its own draft program document to submit to the party, and that OSD representatives should be present during the discussion of the materials, reports, and other similar documents that are now being drafted on these issues, including by the BSP strategic center, irrespective of the fact that we have not altered our view that the only legitimate organ for drafting the BSP program document can and should be a commission composed of experts, which in our opinion should be chaired by the party chairman, as the resolution of the 40th BSP Congress ordained. [end recording]

Daskalov Briefs GATT Negotiators on Situation

AU1207190693 Sofia BTA in English 1620 GMT 12 Jul 93

[Text] Sofia, July 12 (BTA)—Today the working group on Bulgaria's accession to the General Agreement on Tariffs and Trade met for talks at the GATT Secretariat in Geneva, the Bulgarian delegation is headed by the minister of foreign affairs, Mr. Stanislav Daskalov, the Foreign Ministry's Press Service informed.

In his opening speech Mr. Daskalov dwelt on the major parametres of the Bulgarian economic reform, paying special attention to the liberalization of foreign trade regulations.

Addressing the meeting, the delegations (over 20) hailed the reopening of talks within the working group. They expressed their wish for the successful completion of negotiations on Bulgaria's accession to GATT.

After the opening of the talks, the countries participating in the working group posed questions seeking more detailed information about Bulgaria's foreign trade regulations, the participants also wanted to know if they correspond to the GATT standards and principles.

The talks are going on tomorrow.

The talks on Bulgaria's accession to GATT started in 1991 but were suspended until the completion of negotiations with the European Community and the European Free Trade Association.

Medical Personnel in Major Cities Go on Strike

AU1207190593 Sofia BTA in English 1557 GMT 12 Jul 93

[Text] Sofia, July 12 (BTA)—As from today the obstetricians in Sofia and another six urban centres in Bulgaria will stop performing abortions at patients' requests and will stop issuing medical certificates, tomorrow they will gather for a protest rally in the centre of Sofia, Dr. Dragomir Grudev, chairman of the Strike Committee, told BTA this morning.

Dr. Grudev presented the position of the obstetricians and midwives protesting since July 8. They had come to the conclusion that the competent authorities—the Bulgarian parliament and the Ministry of Health, did not take the medical workers' demand for a two-fold increase of health care funds in all its seriousness. In a declaration to the government circulated on July 2, the protesters insist on a two-fold increase of the average gross salary and on its regular adjustment to inflation.

In his statement on the National Television Deputy Minister of Health Khristo Gerginski deceived the public saying that the strikers and the government had come to an agreement, Dr. Grudev said. This is not true, he said. Ten days ago the Ministry of Health decided to appoint a commission which would study the actual need of increasing the funds allocated to health care.

The Strike Committee has in its possession the latest data released by the World Health Organization which show that Bulgaria is among the countries with the highest infant and maternal mortality rates, it is the country with the largest number of abortions per capita in the world, the average life expectancy has been steeply and alarmingly falling, Dr. Grudev pointed out, speaking on behalf of his colleagues.

Klaus Airs Views on Sudeten German Issue

AU1207135293 Prague CTK in English 1635 GMT 8 Jul 93

[Text] Prague July 8 (CTK)—We should conduct a dialogue, not keep silent or shout at one another, Czech Premier Vaclav Klaus said today, commenting on the planned Czech-Sudeten German dialogue.

Speaking at a press conference, he said he was very dissatisfied with the letter sent to him by Bavarian Minister-President Edmund Stoiber. Stoiber's statements at the Sudeten German Days (held in Nuremberg May 29-30—Ed.) were completely inappropriate, Klaus pointed out. There is no need for it to be us who press the issue forward and accelerate it and rush, Klaus added.

Klaus said it was very positive that the concept of the Czech Supreme Inspection Office (NKU) had been realised, and expressed his satisfaction at the candidate from the Civic Democratic Party (ODS) Lubomir Volenik having been elected as its head (the parliament choice now has to be approved by President Vaclav Havel).

An effort had been made to find a suitable candidate for the post outside the political spectrum, but finally it turned out to be impossible to find an independent candidate of high quality, who would have been acceptable to everybody, Klaus noted. He said the last hope had been to propose a high-quality candidate from the Civic Democratic Party (ODS, of which Klaus is chairman—Ed.), adding that Volenik was chairman of the ODS North Bohemian regional association.

Klaus also dismissed speculations about the mysterious disease from which he allegedly suffered. He said he only had some troubles with his back. Nevertheless, he has been participating in government and other activities, he added.

Ministers Comment on Slovak Currency Devaluation

LD1007182893 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 10 Jul 93

[Excerpt] Yesterday's decision by the National Bank of Slovakia [NBS] to devalue the Slovak currency also surprised the partner with whom our republic is bound by a customs union, that is, the Czech Republic. Our Prague correspondent Daniela Galikova reports:

[Galikova] Not only was the devaluation of the Slovak currency given prominent place on the front pages of Czech newspapers, it also encountered some, albeit cautious, response of politicians. Ivan Kocarnik, minister of finance of the Czech Republic, stated yesterday stated that the decision of the NBS ensued from the continuing decline of foreign currency reserves in the Slovak Republic. Since the devaluation will most probably be reflected in the clearing account, it can be expected that the first measures will be taken in that particular field. According to Ivan Kocarnik, the agreed five percent limit for the movement of the rate of exchange on the clearing account will most probably be applied by both Slovakia and the Czech Republic in order to allow at least some mutual trade. If, however, the current devaluation does not lead to the expected improvement of the balance of payments, it cannot be excluded that another devaluation will follow, Ivan Kocarnik said.

Vladimir Dlouhy, minister of industry and trade of the Czech Republic, is justly concerned that the devaluation could lead to an even greater decline of mutual trade between the Czech Republic and Slovakia. He did not dare to comment on any other possible consequences.

The Czech National Bank, which is accountable for the stability of the Czech currency, has not yet made any official statement. [passage omitted]

Central Bank Official on Devaluation

LD1207212993 Prague Stanice Praha Radio Network in Czech 1630 GMT 12 Jul 93

[Report by correspondent Marie Ruzickova]

[Excerpts] The Czech central bank revoked the revaluation of the Czech koruna, which was applied within the clearing payments system with Slovakia from 5 March. However, this change amounts to two percent only. This is why I asked Jan Vit, vice governor of the Czech National Bank, whether 2 percent is really enough, considering the fact that the Slovak devaluation amounts to 10 percent. [passage omitted]

[Begin Vit recording] The first reason for this measure is not a compensation of the devaluation of Slovak koruna. The devaluation of the Slovak koruna was a blanket measure, applied against all the currencies; that is, it was not aimed specifically against the Czech Republic.

As far as Czech trade interests are concerned, in comparison with other states, they were not affected—in fact the advantage of the customs-free access to the Slovak market in comparison with other states has been preserved. [passage omitted]

The other thing is how the situation will develop in future, what will be the development of inflation in both states. The price increase might be higher in Slovakia—devaluation is, to a certain extent, an inflation impulse, and tax, value-added tax also went up in Slovakia. In my view, all this indicates that a price increase that will take place there will be probably higher than the one in the Czech Republic. As a consequence, the difference will then in fact disappear, to a great extent. [end recording] [passage omitted]

Ruml: Border Measures To Be Introduced 20 Jul

AU1207134893 Prague CTK in English 2037 GMT 8 Jul 93

[Text] Prague July 8 (CTK)—The Czech Republic has prepared measures to be introduced on the Czech-Slovak border as of July 20, no matter whether or not the two countries' political representatives reach an agreement, Czech Interior Minister Jan Ruml told Czech Television today.

The measures have been prepared from the technical, organisational and financial points of view, Ruml said. The government agreed that 290 Czech soldiers would be earmarked to help the Czech Border Police, he added.

Ruml said that it was necessary for the Czech Republic to introduce a common border regime on its border with Slovakia, as it had done with Austria, Germany and Poland. Members of the Czech Border Police, strengthened by unarmed soldiers, will guard the border. Members of Immigration Police will operate on border crossings to monitor movement of foreigners from third countries and the possible appearance of undesired people. The Immigration Police will also examine foreigners coming to the Czech Republic to see if they meet all conditions for entering the country's territory, including that of a valid visa, Ruml explained.

The Czech and Slovak Governments should reach an agreement on launching talks on border crossings by July 20, as agreed by the two countries' presidents and foreign ministers in Smolenice, West Slovakia, last week.

Zieleniec Meets With French Foreign Minister

LD1207183993 Prague Stanice Praha Radio Network in Czech 1630 GMT 12 Jul 93

[Text] French Foreign Affairs Minister Alain Juppe has come for a one-day official visit to the Czech Republic today. Pavla Jazairiova reports.

[Jazairiova] This is the French foreign minister's first visit to the Czech Republic. This morning, Minister Juppe met Czech Foreign Affairs Minister Josef Zieleniec. They signed an agreement on cooperation and exchanges for young people and in the fields of physical education and sports. The two ministers also agreed to hold regular top-level political consultations.

In the afternoon, Alain Juppe met President Vaclav Havel and Prime Minister Vaclav Klaus.

The two foreign ministers briefed journalists about their meeting at a news conference. The agenda covered bilateral and multilateral contacts, the integration of Central European countries into the EC and the role France plays in this process. They discussed the issues of setting up a European security system and the plan outlined by French Prime Minister Edouard Balladur, which is to become the theme of a European conference. Economy and, above all, European protectionism were discussed too. The latter should always be based on economic rather than political considerations, it was said. Minister Juppe thinks that more attention should be attached to protectionism. Nevertheless, he said that the EC was the world's most open economic structure.

Over the last three years, trade between the Czech Republic and the EC has been increasing by 35-40 percent per annum. The same cannot be said about other, more distant economic partners, Alain Juppe said. The EC, however, works by certain rules, which have to be observed. The EC is not a free trade zone. By removing tariff barriers, we want to help the Czech Republic to integrate better into the EC and profit from it. It is a fact, though, that we are currently facing big problems ourselves, Minister Juppe said. He added that economic issues were very important. The priority nowadays, though, was for Europe to be guided by political good will.

Minister Zieleniec commented thus:

[Begin Zieleniec recording] The way I see the problem is that while the EC countries, including France, view trade barriers mainly as the result of their own economic problems, we interpret them as signs of good or ill will to integrate our country into the EC in the future. That is where the problem lies. Two different interpretations of one phenomenon is a problem we have to grapple with. I have pointed out to Minister Juppe that the problem for us does not consist in plus or minus several procent on a particular exported product, but represents a political signal. I would not entirely dismiss this aspect of the matter even when, as Minister Juppe said, Czech exports to the EC have grown. On the other hand, one must remind that in 1991 our trade with France ended in a deficit of $6 million. Today it is over two hundred [not further specified]. [end recording]

[Jazairiova] So much for Czech Minister Zieleniec. French Minister Alain Juppe leaves Prague for Budapest tomorrow.

Czech-Austrian Economic Agreement Signed

LD0907211793 Prague CTK in English 1909 GMT 9 Jul 93

[Text] Cesky Krumlov, South Bohemia, July 9 (CTK)—The Czech Republic and Austria signed an agreement on economic, industrial, technical and technological cooperation here today.

Czech Minister of Industry and Trade Vladimir Dlouhy and Austrian Minister of Economic Affairs Wolfgang Schuessel, who signed the document, said the agreement provided a good framework for Czech-Austrian relations. I believe that the agreement will serve a basis for further specific talks and further development of our economic relations, Dlouhy said.

During the talks restrictive measures Austria intends to impose to protect its domestic market were discussed. Dlouhy said the Czech Republic demanded that imports quotas on cement be increased from the current 100,000 tonnes to 175,000 tonnes .

Regarding imports of Czech agricultural machinery to Austria Dlouhy said Czech producers would be able to submit relevant data, stemming from the General Agreement on Tariffs and Trade (GATT) regulations, by July 15. We believe the Austrian side will then be ready to solve the question quickly. Our opinion is that it would be appropriate for Austria to stop preparing anti-dumping measures against Czech agricultural machine producers and also not to introduce special tariffs, Dlouhy said.

Schuessel assured Dlouhy that Austria considered the Czech Republic a reliable partner and wanted to remain a friendly neighbour.

Trade turnover between the Czech Republic and Austrian amounted to 14.2 billion schillings in 1992 with Czech imports amounting to 6.1 billion and Austrian exports—to 8.1 billion schillings.

Parliament Amends Law on Privatization Ministry

AU1207164993 Prague CTK in English 1920 GMT 8 Jul 93

[Text] Prague July 8 (CTK)—The Czech Chamber of Deputies today passed amendments to the law on the transferal of state property to other persons and to the law on the role of organs of the Czech Republic in such transferals and on the National Property Fund (FNM).

The most important changes concern the powers of the Ministry for the Administration of National Property and its Privatisation in the approval of privatisation projects and the position of the National Property Fund in relation to the government and parliament.

Hitherto the Privatisation Ministry had to approve one of the proposed projects. Now, however, if not even one of the projects is deemed suitable, the ministry will be able to ask that another project is drawn up, and set forth the conditions for its approval.

Approves Bill on 'Ozone-Harming Substances'

AU1207134993 Prague CTK in English 1910 GMT 8 Jul 93

[Text] Prague July 8 (CTK)—The Czech Parliament today approved a bill banning the production, use and import of ozone-harming substances.

The law, effective as of April 1, 1994, bans the production, use and import of the three substances containing fluor—Halon 1211, Halon 1301 and Halon 2402. As from January 1996, the law will be applicable to another 17 substances. The import of ozone-harming substances is prohibited from January 1, 1994.

Until the law takes effect, producers and importers of these substances will have to pay a 100-crown (3.3 USD) charge for a kilogram of the produced or imported ozone-harming substance. The money will go to the State Fund for the Environment.

Fines ranging from 2,500 to 500,000 crowns (approximately from 90 to 18,000 USD) will be imposed on producers violating the law. In cases of repeated violation, the initial fine will be increased up to five times. 50 percent of the money will go to the local government of the area in which the producer is situated and the rest to the State Fund for the Environment.

Approves Constitutional Court Appointments

AU1207135593 Prague CTK in English 1135 GMT 8 Jul 93

[Text] Prague July 8 (CTK)—The Czech Chamber of Deputies (parliament) today approved the appointments of 13 out of the 14 candidates President Vaclav Havel nominated for the positions of Constitutional Court justices.

The parliament approved the appointments of Iva Brozova, Vladimir Cermak, Antonin Prochazka, Vlastimil Sevcik, Pavol Hollander, Milos Holecek, Zdenek Kessler, Vojtech Cepl, Vojen Guttler, Vladimir Jurka, Vladimir Klokocka, Pavel Mates and Vladimir Paul. The nomination of Irena Pelikanova was rejected.

Kessler, Sevcik, Prochazka, Mates, and Guttler were justices on the Czechoslovak Constitutional Court in 1992. Brozova and Holecek sit on the Regional Court in Brno. Cepl is assistant dean at the Charles University Law Faculty, and Cermak works in the Political Science Department at Masaryk University in Brno. Hollander is a lecturer at the Law Faculty of Palacky University in Olomouc, North Moravia. Jurka sits on the District Court in Kromeriz, South Moravia. Klokocka worked as an adviser to the chairman of the Czechoslovak Constitutional Court in 1992 and is now a lecturer at the Institute of Political Sciences at Munich's Technical University. Paul is a commercial lawyer. Pelikanova is a lecturer in the field of economic law.

According to the Czech Constitution, the Constitutional Court is made up of 15 justices who are named by the president, with the approval of the senate, to ten-year terms. In view of the fact that the senate has not yet been established, the Chamber of Deputies executes this function, in accordance with the Constitution.

The law on the Constitutional Court went into effect July 1, 1993. On that day, President Havel sent a letter containing the names of his 14 candidates to Parliamentary Chairman Milan Uhde.

Approves Fund for Children, Young People

AU1307100293 Prague CTK in English 1811 GMT 9 Jul 93

[Text] Prague July 9 (CTK)—In approving the statute of the Fund for Children and Young People, the Czech Parliament has made progress in preventing the further manipulation of former Czechoslovak Socialist Youth Union property, Deputy Alfred Frommer said today.

The main task of the Fund, which is an independent legal body, is to make good use of the relevant state-owned property for activities benefiting children and young people. It is entitled to rent out the buildings in its management, provide hotel and restaurant services and produce, buy and sell goods with the aim of promoting the interests of children and young people.

The Fund's revenues will be raised through its own business activities, the sale of its movable and immovable property in accordance with the law and from gifts and grants.

Under the law, the Fund can provide loans and rent out its immovable property to help promote the activity of organisations which benefit children. It can also transfer free of charge or sell its immovable property to such organisations.

Amends Law on State Railways

AU1307100393 Prague CTK in English 2004 GMT 9 Jul 93

[Text] Prague July 9 (CTK)—The Czech Parliament today approved an amendment to the law on the Czech State Railways which defines the position of the Czech Railways, concerning property and finance, the powers of their new management and their relationship to the Czech Ministry of Transport.

The law requires the Czech Railways Administrative Council to prepare a project concerning transformation of the Czech Railways and to submit it to the government for approval.

The law establishes the Administrative Council and its director general as the organs of the Czech Railways. The chairman of the council is to be chosen from its members and appointed by the government.

Approves Land Fund 1993 Budget

AU1307100593 Prague CTK in English 1845 GMT 9 Jul 93

[Text] Prague July 9 (CTK)—Parliament today approved the 1993 budget of the Czech Republic's Land Fund.

The Land Fund is an institution established to administrate the privatisation of agricultural land belonging to the state and which cannot be restituted to former owners.

Its revenues are to amount to 1,120 billion crowns and outgoings to 5,136 billion crowns.

Revenues will come chiefly from the privatisation of state-owned agricultural property (1 billion crowns), with a small part coming from the leasing of property administrated by the fund (0.120 billion crowns).

Amends Law on Highways

AU1307100993 Prague CTK in English 2022 GMT 9 Jul 93

[Text] Prague July 9 (CTK)—The Czech Parliament today passed an amendment to the law on highways.

Transport Minister Jan Strasky told deputies that the amendment would encourage Czech and foreign companies to invest capital in the construction of roads in the Czech Republic.

It will allow highways to be rented long-term to private persons who will finance repairs not from the state budget, but through the collection of tolls from road users.

The amendment also allows private persons to construct a road from their own means. Their investments would then be returned through renting out the road long-term, and collecting tolls.

Strasky said the government considered that the amendment would for the meantime only be used on the D5 highway, for the section between Plzen and the German border crossing point of Rozvadov.

He also said that the Transport Ministry intended to build 264 KM of highways during the next eight to ten years.

Amends Law on Value-Added Tax

AU1307113493 Prague CTK in English 1843 GMT 10 Jul 93

[Text] Prague July 10 (CTK)—The Czech parliament today approved an amendment to the Law on Value Added Tax (VAT) which aims at VAT efficient administering and eliminating excessive problems in its application.

Czech Finance Minister Ivan Kocarnik said that a majority of changes have been made for the benefit of the taxpayer. The amendment makes checks and administering of VAT on the part of financial institutions easier.

The amended law also removes certain illogicalities in applying two VAT rates—five and 23 percent. Under the amendment, selected medical and food products have a five-percent rate. A list also includes various aids for handicapped people, such as typewrites, computers, clocks for the blind, telephones for the deaf.

Kocarnik said that the government considers the 23-percent rate to be the basic one and the five-percent rate

the one applied in specific cases. The government seeks to create a 17 to 18 percent VAT rate by the year 1997, the minister said.

Amends Law on Consumer Protection

AU1307113693 Prague CTK in English 1952 GMT 10 Jul 93

[Text] Prague July 10 (CTK)—The Czech parliament today approved an amendment to the Law on Consumer Protection which changed the wording concerning advertisements of tobacco products.

The sentence advertising tobacco products is forbidden had been deleted from the law.

The parliament failed to approve an amendment to the penal code which had been submitted by opposition Left Bloc (LB) Deputy Dalibor Matulka and other parliamentarians.

Czech Justice Minister Jiri Novak described the amendment as bad, which, as he said, is the opinion shared also by a number of judges with whom he had spoken about it.

The minister said that the government is drafting an extensive amendment to the penal code which should be discussed by the government and submitted to parliament in September. In Novak's opinion, it would be no good if two amendments were approved within such a short period of time.

Money Supply Increases by Kc12.3 Billion

AU1307105493 Prague HOSPODARSKE NOVINY in Czech 8 Jul 93 p 3

["(fr)"-signed report: "Monetary Development in the Czech Republic Is Still Favorable"]

[Excerpt] The Czech Republic's overall money supply increased during the first five months of the year by 2.6 percent, that is, by 15.4 billion korunas [Kc] (by 2.0 percent in May, that is, by Kc12.3 billion). This statement was made in a situation report on monetary development approved by the National Bank Banking Council at its session last week.

The increase in the money supply is due mainly to the higher bank credits for businesses and households; they increased by 8.2 percent, that is, by Kc46.9 billion. The increase in net foreign assets—by Kc12.9 billion—was another significant factor.

The reduction in the government's net indebtedness to the banking sector by some Kc25.3 billion as a result of budget surpluses for the state and for towns and communities, the improvement in the National Property Fund's net position by Kc3.5 billion, and a clearing account balance with the Slovak Republic amounting to some Kc0.6 billion had the opposite effect on the money supply.

Therefore, the money supply—despite its May surge—has increased slowly, and was one of the factors that contributed to slowing down the price increases caused in January by the introduction of a new taxation system. [passage omitted]

Screening in Army To Continue Past Deadline

AU1207102093 Prague MLADA FRONTA DNES in Czech 8 Jul 93 p 2

["(km)"-signed report: "Some Soldiers Who Have Not Passed Extraordinary Screening Have Drinking Problems"]

[Text] Prague—Most of the officers have passed the extraordinary screening that is taking place in the Army now. Jiri Pospisil, deputy defense minister, told us that screening has indicated that some officers should be transferred to lower positions, while a smaller number of them should leave the Army.

Jiri Pospisil also said that some officers have been described as unfit for Army service, because they have reached the retirement age, have a drinking problem, are in bad physical condition, or have avoided physical examination. "Most of them are burdened with the sins of the past," he said. "Some of them worked in higher party bodies, or were members of screening commissions after 1968."

Officers who have not passed screening should leave the Army no later than within two years.

The ministry reached the conclusion, within the framework of screening, that some officers should be given appropriately lower positions. "It is quite obvious that graduates from political schools cannot command a division or work at the ministry, but they can be security guards at the gate, for instance," Jiri Pospisil said.

The unfavorable development over past years, when mostly younger officers left the Army, has been stopped, according to the deputy defense minister. Jiri Pospisil said that mainly older soldiers are now leaving the Army. More than 130 generals, of the 158 who were active before November 1989, have left. According to Pospisil, 21,673 officers have left the Army, which is more than half of their number.

The deputy defense minister is of the opinion that the influence of old cliques of generals in the Army has been successfully eliminated. "The fact that higher positions are being given to younger and lower-ranking officers is described by some people as a 'coup of colonels,'" he said.

The extraordinary screening of high military officials is continuing, but, according to Pospisil, the originally fixed deadline of 25 June should not be significantly overrun.

National Bank Official on Koruna Devaluation

LD1007214193 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 10 Jul 93

[Interview with Marian Tkac, vice governor of the National Bank of Slovakia, by correspondent Anna Vargova in Bratislava on 10 July—recorded]

[Text] Esteemed listeners, yesterday we reported a decision by the National Bank of Slovakia to change the exchange rate of the Slovak koruna against freely convertible currencies by 10 percent as of 10 July. We immediately tried to reach Marian Tkac, vice governor of the National Bank of Slovakia. We were not successful yesterday, but we reached him today. Anna Vargova's first question in her interview with Vice Governor Tkac was what other reasons, besides those we already know, led the National Bank of Slovakia to make such a decision:

[Tkac] Another reason was the results of the last six months; prospects for the next period unfortunately show that our economy is lacking the necessary revival, the necessary dynamism, and that, in fact, a conflict has emerged between the needs and possibilities between the demand for and offer of money respectively, be it at home or from hard currency sources.

[Vargova] This time the devaluation was 10 percent. Do you expect another devaluation? And, if this is the case, when would it take place, and how many per cent it would be?

[Tkac] No, we are not planning any further devaluation at the moment. The 10 percent level will be probably sufficient. Should a certain and reasonable economic policy be observed—and I believe it will—we will not be forced to take such a step again.

[Vargova] According to some experts, the devaluation of 10 percent will cause inflation of about 8 percent. Mr. Vice Governor, could you tell us now what the impact of the devaluation will be on inflation?

[Tkac] Our calculations, as well as those made by IMF experts, show that the impact of the currency exchange rate change on inflation is about the same as the percentage of imports in overall consumption. As the percentage of imports in Slovakia's consumption is about 50 percent, we expect that the impact of this measure on inflation will be a change of 5 percent.

[Vargova] This step should make our products more competitive on the Czech market. However, according to [Czech Finance] Minister Kocarnik, this devaluation might have an impact on the payments agreement with the Czech Republic.

[Tkac] One is linked to the other. Slovak products have the opportunity to be as much as 10 percent cheaper than similar Czech products. From the point of view of the payments agreement, this will mean we will get more for dollars we will export. We will probably spend less on imports, as the products imported from the Czech Republic and from abroad will generally be more expensive than similar home products by about 10 percent.

[Vargova] Ordinary people are always scared by a devaluation because of an increase of prices. Prime Minister Vladimir Meciar said in March that the government did not consider a devaluation because this also would have increased retail prices by 54 percent and would have halved Slovakia's assets amounting to ć00 billion korunas.

[Tkac] I did not hear this, and thus I cannot comment on it. In any case, given the structure of our imports or the structure of our consumption, the impact will be roughly halved. It is possible that the devaluation impact might miss some products. It will have an impact, above all, on the products that include imported elements.

As far as the assets of the Slovak Republic are concerned, their value for those within the Republic is not going to change at all.

[Vargova] The National Bank understandably kept this step secret to prevent, for instance, a buy up of hard currency in Slovakia. To what extent will this current devaluation help to increase our hard currency reserves?

[Tkac] We expect this to be a positive measure as far as the development of hard currency reserves is concerned. Given the measures we adopted in February, the development of hard currency reserves is not the number one reason for the change of the exchange rate. Given the impact on exports and imports that I described, the pressure regarding need for hard currency will probably decline, and the influx of hard currency might increase.

[Vargova] Mr. Vice Governor, could you tell us what the current situation is regarding Slovakia's hard currency reserves?

[Tkac] Lately, the level of our hard currency reserves has not changed, from the date when we last published it. This means that—I am not claiming to be precise—excluding gold, the National Bank and commercial banks have about 1.2 to 1.3 billion [currency not specified] in hard currency reserves.

Parliament Approves Law on Apartments

AU1207165593 Prague CTK in English 1858 GMT 8 Jul 93

[Text] Bratislava July 8 (CTK)—The Slovak Parliament today approved a government bill on flats and non-residential premises, which enables flats owned by communities and by housing cooperatives to be privatised.

The law establishes rules for selling the flats to the present tenants as well as for selling flats to third persons.

However, flats must be sold to the present tenants before they can be sold to a third party. An exception is if the

tenant has not paid rent for six months, in which case the flat may be sold immediately to a third party.

The buyer must pay a minimum of 15 percent of the flat's price, while the rest must be paid in regular interest-free installments within ten years. Buyers, who wish to pay at least 70 percent of the price immediately, will be offered a 10 percent discount.

The buyer is obliged to pay off the total remaining to be paid if he or she intends to transfer the ownership to another person within ten years.

Communities are obliged to retain 10 percent of flats for social purposes.

The law does not concern official quarters and flats from buildings once owned by the Church.

Crime Rate Increases During First Six Months

AU1207131893 Bratislava REPUBLIKA in Slovak 8 Jul 93 p 3

[TA SR report: "A Paradise for Thieves, Muggers, Forgers...."]

[Text] Bratislava—In the first six months of this year, the crime rate in Slovakia rose by 38 percent, compared to the same period last year.

Among the most serious crimes, police have registered 60 murders, of which 49 have been explained. Against the first six months of 1992, this is a larger than 50-percent increase. Of the total number of 653 robberies, criminal police have explained half of them, but as regards 21,940 burglaries, only in 21 percent of cases were the perpetrators found and apprehended. The total damage caused by burglaries amounts to more than 432 million korunas [Sk].

The only type of criminal activity that is on the decline is rape. Compared to the first six months of 1992, the number of violent sexual abuses declined from 116 to 83 cases, of which 70 have been closed and the perpetrators have been apprehended.

Since the beginning of the year, 2,071 faked banknotes in either our or foreign currencies have been seized on the Slovak Republic's territory. Apart from the still federal banknotes, in denominations of Sk1,000 and Sk500 (925 banknotes), the most frequently falsified currencies are the German mark (748 banknotes), the U.S. dollar (290), the Austrian shilling (28), and the Italian lira (29 cases). Criminal activity has been proven only in the case of 435 pieces of falsified banknotes [sentence as published], while criminal charges for circulating false banknotes have been laid against 62 perpetrators.

In the first six months, the organs involved in criminal prosecutions dealt with 35 cases of criminal activity linked to privatization. The damage is more than Sk57 million. For many, private enterprise has become an opportunity for fast and effortless riches. Would-be private businessmen are buying larger quantities of goods from private and state-owned companies without intending to pay the invoices. They are committing fraud. There have been 827 registered cases, like that by the Police Corps of the Slovak Republic, since the beginning of the year. The damage is Sk445 million. In 159 cases, sums higher than one half-million Slovak korunas were involved.

The most frequent cases with which investigators have to deal are purchases by people who have a business permit, but cases when goods were taken over after presenting faked or stolen business permits, or when documents proving solvency or money orders have been falsified, are no exception.

During the first six months of the year, the police submitted 79 cases of tax evasion, amounting to Sk470 million, to the prosecutors. The case of the Ales-Toman-Miko company of Cadca is extraordinary. During an audit, it was found that the company exists only on paper. Based on an entry in the company register and a stolen identity card, a former prisoner on the run had, within two years, taken over tobacco products to be delivered to foreign customers. The tax evasion alone amounts to Sk91 million. The case is being investigated by the Regional Investigation office of the Police Corps of the Slovak Republic in Banska Bystrica.

SZDSZ, FIDESZ Discuss Cooperation

LD1107131093 Budapest Kossuth Radio Network in Hungarian 1000 GMT 11 Jul 93

[Text] The Alliance of Free Democrats [SZDSZ] and the Alliance of Young Democrats [FIDESZ] have agreed that they will work out an election ethical code by 30 September.

This is what Balint Magyar [member of SZDSZ executive body] told MTI following his talks, which stretched into the night, with FIDESZ campaign chief Janos Ader. He said they have not managed to conclude an agreement on putting forward candidates in the 1994 elections, since the SZDSZ does not agree with FIDESZ's proposal that in certain constituencies the two parties should not stand against each other. The Free Democrats consider it disadvantageous from the point of view of party lists.

Following lengthy talks, Balint Magyar and Janos Ader finally considered it acceptable for the candidates of the two parties to withdraw in favor of each other if there is a 2 percent difference in the number of votes, or at least a difference of 1,000 votes. On the question of coalition cooperation, both parties are ready to declare that if they win the 1994 election they will start talks first with the other liberal party and ask it to participate in the government in accordance with its parliamentary representation.

Editorial Comments on G-7 Meeting in Tokyo

AU1307094293 Budapest UJ MAGYARORSZAG in Hungarian 9 Jul 93 p 2

[Editorial by Varga: "What Is Good for America...."]

[Text] "Good news for America, and good news for the world." This is how President Clinton announced at the G-7 meeting in Tokyo the good news that the leaders of the world's seven most developed countries agreed on one of the major issues of the meeting, namely on the plan to liberalize world trade.

Obviously, regarding trade relations between countries and their background economy, this agreement will have both a short-term and long-term effect, because the planned reduction of customs on some products and groups of products could move the GATT talks in Geneva out of the present dead end—talks focused on the liberalization of the world trade and the implementation of the so-called Uruguay program started eight years ago. We can say that the G-7 meeting in Tokyo has revived the Uruguay plan. This is important because if no progress were made on world economic issues in Tokyo, this would have fatal consequences on the situation of some countries and groups of countries.

A possible stalemate could lead to the economic isolation of some countries and groups of countries and to the introduction of protectionist measures. It is hardly necessary to explain the dangers of such measures to export-oriented countries.

Large-scale economic agreements have already emerged at various G-7 summit meetings. For example, the first G-7 meeting held in 1975 decided on the creation of a "currency band", to avoid the extreme exchange rate fluctuations. Another G-7 summit, also held in Tokyo, in 1979 decided on regulating the oil imports of the leading capitalist countries.

Festive promises on accepting the world trade liberalization program were also made at the last three G-7 meetings, in Houston, London, and Munich, but nothing came of all this. Thus, the "trustworthiness" of the Group of Seven would be questioned if nothing were to happen this time either.

The present summit in Tokyo can open up a new phase in world trade, because the United States, Japan, Canada, and the leading EC countries agreed on reducing customs affecting 18 sectors of the economy. Customs duties will be completely discarded in eight sectors, including the pharmaceutical industry and the production and sales of medical equipment and agricultural machines, and a 50-percent reduction of customs duties will be carried out in four other economic sectors, like the glass and textile industries.

The recent agreement in Tokyo also affects many other branches, and the importance of this agreement exceeds the expected world trade revival and the creation of millions of new jobs. All this could lead to a change in the ideology of "the strongest," without which there can be no new world economic order; nor could the world hope ever to bridge the dramatic gap between the rich North and the poor South.

Onyszkiewicz: UN Peacekeepers May Train in Poland

LD1207182093 Warsaw PAP in English 1724 GMT 12 Jul 93

[Text] Warsaw, July 12—Defence Minister Janusz Onyszkiewicz said at a press conference in Warsaw Monday [12 July] that Poland was not planning to establish any kind of military bases with foreign troops on its territory.

The minister explained Poland had only presented a proposal that Polish testing grounds and military bases be used for training prospective U.N. peacekeeping forces, adding that the initiative was backed by the Russian side during his recent visit to Moscow.

According to Onyszkiewicz, the signing of the Polish-Russian agreement on military cooperation on July 7, completed the period of creating formal and legal framework for cooperation in this field between Poland and all its neighbours. Similar agreements have also been signed with Hungary, Latvia, France, Greece, Holland and Belgium.

Referring to the forthcoming elections, Onyszkiewicz stressed that the Army does not intend to field its own candidates since this would be inconsistent with its apolitical structure. The minister, however, stated that every serviceman has the right to run in the elections on the ticket of any party.

Non-Party Reform Bloc Presents Program

AU1207202193 Warsaw GAZETA WYBORCZA in Polish 9 Jul 93 p 3

[Report by Artur Domoslawski: "Theses Nailed To the Door"]

[Text] "The economy is the most important topic. We do not want to know anybody who disagrees with that," said Andrzej Olechowski, chief of the Programmatic Council of the Non-Party Bloc in Support of Reforms [BBWR], while reading the BBWR's 21 programmatic theses to a crowd of journalists yesterday.

Behind Olechowski were other council members, including former deputy Jerzy Eysymontt, Danuta Piontek from the Polish Capital Club, and Wojciech Daniel form the Solidarity "Network." The theses were nailed to the door of the Lubomirski Pavilion. "Just like Martin Luther's 95 theses," the journalists remarked.

The BBWR wants the following, among other things:

—State reforms, so that public life may be democratic and comprehensible;

—Reforms to the administration, so that it is honest, efficient, and smaller;

—An increase in the role of small groups, because they know best what the people need.

—An energetic battle against unemployment, because it is a personal and social tragedy;

—A reform to social security, so that pensions may cease to be dependent on the condition of the state budget;

—More widespread privatization, so that all enterprises may have equal opportunities;

—An improvement in the housing situation, so that everyone may have an apartment if not tomorrow, then the day after;

—The development of rural areas, so that a farmer may change his occupation without having to change his place of residence;

—Support for entrepreneurs, because by helping them, people are helping themselves;

—The promotion of Polish products, because the state should support exporters;

—Effective protection of private property, so that an owner need not feel that the state might take his property away;

—A further strengthening of the zloty, because a hard zloty provides the best basis for growth;

—A reform of the financial sector, because development requires efficient banks;

—Consumer protection, best guaranteed by competition;

—Encouragement of artistic creativity, so that the Poles retain Polish as their native language;

—Protection of the environment, which we must hand to our children in a better state than at present.

Asked by journalists, Olechowski said that the Suchocka government could calmly subscribe to these theses. "We want to implement all of this energetically, with the greatest possible involvement by the state in the reforms," he said.

Olechowski was rather less willing to discuss the details behind these theses. They are contained in another BBWR document that was not issued to the press because of a photocopier malfunction. However, the document talks of "300 million zlotys for everyone," in the form of privatization coupons bearing an interest rate of 3 percent and repayable over 20 years. The BBWR is also planning to abolish the tax on supernumerary wages in 1994. Following pressure form the Solidarity "Network," the BBWR program contains a clause whereby all state officials should be vetted "from the point of view of state security."

Olszewski Forms Election Coalition

AU1207194493 Warsaw GAZETA WYBORCZA in Polish 7 Jul 93 p 2

['an, dom'-signed report: "The Right-Wing Puzzle"]

[Text] Yesterday, the leader of the RdR [Movement for the Republic], Jan Olszewski, established his own electoral alliance, the Coalition for the Republic. He said that it was made up of "Christian, peasant, and national" groupings. He mentioned Kornel Morawiecki's Freedom Party and Roman Bartoszcze's Patrimony.

Death Lists

Contrary to expectations, Olszewski's grouping did not join the Polish Union Electoral Committee that was created a few weeks ago by the PC's [Center Accord] Jaroslaw Kaczynski, Jan Parys' Movement for the Third Republic, and some small Christian Democratic parties.

In yesterday's interview for the SLOWO DZIENNIK KATOLICKI, Olszewski accused the PC leader Jaroslaw Kaczynski of disloyalty. He was specially concerned about Kaczynski's negotiations with the RdR dissidents Andrzej Anusz and Piotr Wojcik. Olszewski also accused some right-wing politicians of adopting the political methods of the communist period.

At a news conference held yesterday, Kaczynski could not explain the reasons for the conflict with Olszewski. "Two right-wing lists would be death lists," warned Kaczynski.

The Accord Seeks Company

The coalition made up of the ZChN [Christian-National Union] and Gabriel Janowski's Peasant Accord has also collapsed. According to our sources, Janowski's party is now counting on an electoral alliance with the PC or the RdR.

Yesterday's negotiations between the ZChN and the Polish Convention (Aleksander Hall's Conservative Party, Deputy Prime Minister Pawel Laczkowski's Christian Democratic Party, and Jozef Slisz's Christian Peasant Party) also ended in a fiasco. The parties making up the convention established their own electoral committee on Tuesday [8 July] along with the Federation of Polish Enterprise.

Lonesome Union

The ZChN will enter the elections by itself. "We decided that as there are no prospects of establishing a broad right-wing coalition, then it is better to retain our own identity fully," ZChN President Wieslaw Chrzanowski told GAZETA yesterday.

The ZChN chief is hopeful that the ZChN will cross the 5-percent threshold required by the electoral code. He believes that a parliament in which the right is not present might threaten democracy. "Disputes within society should be resolved in the building on Wiejska Street. If parliament does not reflect society's preferences, that will be impossible," added Chrzanowski.

Employers Group To Support Pro-Market Parties

WS0907112193 Warsaw RZECZPOSPOLITA in Polish 8 Jul 93 p 2

[Report attributed to K.Gr.: "The SLD Is as Good as the BBWR"]

[Text] Confederation of the Polish Employers [KPP] will not run in the election on its own and will place its candidates on the tickets of the BBWR [Non-Party Bloc in Support of Reforms], UD [Democratic Union], the Labor Union, SLD [Democratic Left Alliance], PSL [Polish Peasant Party], KLD [Liberal Democratic Congress], and the Conservative Party, Andrzej J. Wilk, leader of the Confederation, told our newspaper.

As all those parties, in the Confederation's opinion, stand for the market economy; it will support its candidates (also financially) on different legislative tickets. Explaining why the above list includes the Labor Union, which wants to uphold the workers' interests above all else, Wilk said that even though the employees should not be involved in managing a company, they should have some leverage to press for their rights.

For the time being, the leader of the Confederation of the Polish Employers cannot yet specify how many of its candidates will run. There were 50 of them in the previous Sejm (from the Conservative Party, SLD, Polish Liberal Program, and UD).

The Confederation—its chairman is Andrzej Machalski—has been in existence since 1989, and according its own estimates, gathers about 40 organizations. Mr. Wilk complained about the poor financial situation of the organization in an interview with GAZETA BANKOWA last April.

The KPP supports the "Charter of Economic Principles" crafted by the president's Economic Council. Its resolution on the strike at the Walbrzych porcelain factory says that the strike inflicts damages incomparably higher than its claims, and its continuation may result in the dismissal of 700 persons.

Ministers Praise Government's Stabilizing Factor

LD1107193893 Warsaw PAP in English 1916 GMT 11 Jul 93

[Text] Warsaw, July 11—As the government of Prime Minister Hanna Suchocka completes its first year, its greatest achievements have been its support for the Polish economy, and the stabilisation of the Polish political landscape, two deputy prime ministers said in interviews for the Polish Press Agency PAP, published on Sunday [11 July].

According to Henryk Goryszewski, deputy prime minister for economic affairs, the most important result of the government's year in office has been to promote the concept that the most important function of any government is to protect Polish national interests, by creating conditions for the growth of the national economy, industry, services and agriculture.

In economic terms, Goryszewski continued, the most important achievement has been to arrest the fall in national income. "Over the past 12 months, national income has started to grow, and the trend is now evident. Labour productivity has improved. The increase in investment is also a positive sign."

He also noted that, despite difficulties, the government had been able to maintain a floating exchange rate policy, and had created conditions for the growth of domestic production, which had helped to prevent the flood of foreign goods into polish shops.

Goryszewski called for "an effective policy" to attract new investment to Poland. "Living standards will not be improved as a result of the government simply printing more money, and the government cannot create jobs, because it is not in business. Jobs will be created when people buy Polish goods and services." Since Poland had insufficient domestic capital for this, "we, and every future Polish Government, must seek foreign capital investment."

Commenting on the most important tasks facing the government over the next two months before the elections, Goryszewski noted that work on the 1994 budget was well-advanced, and that the aim was to complete as much of the preparations as possible before the formation of a new cabinet. He also hoped that the government would be able to accelerate work on the restructuring of the oil and defence industries.

Pawel Laczkowski, deputy prime minister for political affairs, also praised the government's achievements in the economic sphere. In an interview for PAP in the western Polish city of Poznan, he noted that in its year of existence, the Suchocka government had overcome many different pressures and problems in both economic and political spheres, despite the fact that it composed several groups of widely differing ideological outlooks.

According to Laczkowski, the Suchocka cabinet was the first in postcommunist Poland to have a coherent vision of the changes it wished to implement. One of its most important programmes, the state enterprise pact, is now ready to be implemented, and its moves to improve the public finances, linked to the overhaul of the taxation system, have been "to a great degree" implemented. The measures already implemented will reduce the scope for tax evasion and other fiscal fraud, he said.

Laczkowski recognised that serious problems remained in the Polish healthcare and public education systems. In particular, he regretted the government's failure to implement wide-ranging reforms of the health care system. There had also been a failure to tackle growing unemployment, he said and noted that there was as yet no concerted policy to create new jobs to compensate for the decline in traditional industries, particularly in rural areas.

The deputy prime minister was positive in his evaluation of government-president cooperation, but criticised the parliament for its frequent obstructiveness, which has now led to premature elections.

For Laczkowski, the role of the trade unions in the fall of the Suchocka government amounted to an own goal on their part. "I cannot imagine that another government will be formed in the near future which will be so open as this one to listen to the trade unions," he said.

Laczkowski said that the government's most important legacy for an incoming administration was a wide range of concrete policy proposals in several areas, including the state finances, reforms of the banking system, education, and other areas. "The next government will not have to start from zero," he said.

City Mayors Accept Local Government Reform Program

LD1207200293 Warsaw PAP in English 1928 GMT 12 Jul 93

[Text] Warsaw, July 12—Representatives of local government bodies in Poland's largest towns approved during their meeting with Prime Minister Hanna Suchocka on Monday [12 July] conditions of participating in the cabinet's pilot programme of local government reform. Under the programme cities are to be granted as of January 1, 1994 greater powers in managing public finances.

The prime minister told the participants in the meeting that Poland's social, economic and civilisation rebirth should be initiated from the revival of towns. "The towns are an engine that will drive the rest. You cannot really change Poland without changing towns," she stressed.

Head of the Cabinet Office Jan Maria Rokita said that the cabinet will discuss preparing an ordinance on the implementation of the programme most probably on Tuesday or next week at the latest. He explained that the scheme aims to integrate competence of local government and its clear division from the powers of the state administration. The towns are to take over responsibility for managing the land, housing, roads, schools and part of medical centres.

The government has chosen 46 towns to participate in its programme but the final decision whether to take part in it rests with the individual town councils. Mayors participating in the meeting declared they are going to convince all councillors of the benefits of the scheme.

Vacaroiu Meets With IMF Delegation

AU1207174793 Bucharest Radio Romania Network in Romanian 1300 GMT 12 Jul 93

[Text] We have just received the following press communique from a government spokesman:

At Victoria Palace today, Prime Minister Nicolae Vacaroiu received the IMF delegation, which is in Romania to continue to examine conditions for concluding the accord with the IMF following recent developments in the economy. The prime minister briefed the IMF delegation on the measures taken by the government over the past two months with regard to the progress of the reform process in Romania: the elimination of subsidies, measures to curb financial blockage and strengthen financial discipline, the reduction of the number of autonomous public corporations, the liberalization of foreign trade, and the introduction of the value-added tax.

Although these measures have caused a greater increase in prices than forecast, Prime Minister Vacaroiu specified that after 1 August a reduction in inflation and greater stability is expected, given that, apart from the exchange rate, there is practically no other significant pressure on prices. The measures that have been taken so far were designed to curb those factors that lead to inflation.

Among the positive results achieved of late, Prime Minister Vacaroiu mentioned the slight increase in industrial output every single month—under comparable conditions—and a 15-percent reduction in stockpiles, according to the latest statistics, compared with last year's 20 percent.

Mr. Maxwell Watson, the head of the IMF delegation, expressed his appreciation that the government had been able to eliminate subsidies and to introduce value-added tax, despite the pessimistic predictions. He then presented a preliminary forecast on a few technical questions that are to be examined in detail with the National Bank and with the relevant ministries, including such questions as the sources of inflation and their influence on future economic and financial strategies, questions link to fiscal and monetary policy, and a new facility regarding Romania's access to foreign sources of financing.

On the basis of this week's detailed examination, a discussion on the conclusions made by the IMF delegation will follow so as to arrive at a common viewpoint on a future settlement with the IMF, the press communique received from the government spokesman concludes.

Commentary Views Expected Results of G-7 Summit

AU1207175093 Bucharest CURIERUL NATIONAL in Romanian 10 Jul 93 pp 1, 7

[Marius Petrean commentary: "The Seven Take Off the Kimonos"]

[Text] The summit meeting of the major industrialized countries, the Group of Seven (G-7) concluded yesterday (9 July) in Tokyo, with the endorsement of an economic declaration. Thus, this was an end with pragmatic inflections. This is not surprising. Over the years, the press has condemned without restraint the summits of the "Group of Seven," which was accused of turning into a "luxury machine" capable of producing only long, boring communiques and "of swallowing" large sums of money in order to display a conspicuous and useless glamor. The summit was asked to produce other things apart from protocol photographs and "fine results."

All this criticism may have played a role in the way the "1993 round" was conceived and carried out. However, more than the merciless pens of journalists and analysts, economic relations "played the game" in Tokyo. Three out of four industrialized countries will register negative economic growth this year. Unemployment affects 7.2 percent of the labor force (23 million people) and this tends to become a "structural," that is, a long-term feature. Even in countries where the gross national product is registering some growth—albeit only modest—the supply of new jobs is not proportional to the dynamics of economic indicators. The "Group of Seven" realized that the crisis has acquired a "structural nature" and they also noted certain "side effects" of this malady of the current world: the negative psychology of economic companies, the lack of flexibility of the labor force, continuously increasing production costs, and others. "Simply to hope that a developing economy is capable of creating more jobs is no longer a realistic approach to this issue," reads a report that was presented in Tokyo by the G-7 finance ministers. "Only reforms aimed at reducing the structural composition of unemployment will be able to increase the growing potential of the G-7 countries and will improve the ability of their economies to adapt to the changing economic conditions."

Under pressure from reality, the diagnosis seems correct. But what about the cure? The economic declaration adopted in Tokyo attempts to keep up with the pace of problems and the nature of those problems. The seven stated that they have got into the same boat and are rowing in the same direction. In academic terms, this consensus was described as "a world development strategy that combines macroeconomic policies and structural reforms aimed mainly at stimulating the creation of new jobs." At the time of going to press, our paper had seen no new strategic details published yet. However, a pragmatic approach is expected with "prescriptions" that differ from one "patient" to another. Thus, Japan has promised to stimulate domestic consumption and reduce its commercial surplus; the United States to reduce its budgetary deficit, and the European Community to reduce interest rates. A special G-7 meeting will be held this autumn to discuss unemployment. On a commercial plane, one hopes that the accord concluded in Tokyo, which stipulates the elimination or reduction of customs taxes in case of a large number of

products, will make a contribution to the finalization of the GATT [General Agreement on Tariffs and Trade] negotiations, and, finally, it will give an impetus—through trade liberalization—to economic growth.

There is no doubt that beautiful words are not enough. We will see in the future whether protectionism, retaliatory measures, and the general and veritable commercial war that have all intensified lately within the EEC-United States-Japan triangle will come to an end and whether the formal consensus will be a real consensus. There were no shortages of promises at the recent summit in Munich either... The distance between theory and practice was measured with "witnesses" who do not belong to the "Group of Seven": In 1992 Russia was promised assistance worth $24 billion. This sum has still not reached Moscow's treasury. In Tokyo, Yeltsin was promised further billions (almost 3 billion) to stimulate privatization. Will the new tsar of Russia have signed for the receipt of the sum before the next summit in Naples?

The way in which the "world development strategy" is proposed also raises questions. Stimulating consumption, reducing budgetary deficit, lowering interest rates are—not only today or yesterday—the objective of economic factors that have never been fulfilled, at least certainly not in recent years. In Tokyo, more than on other occasions, "the seven" presented a precise "picture of a crisis landscape," as Francois Mitterrand put it. This way of mirroring realities needed objectivity and an analytical spirit. However, in order to change "the landscape," a new picture will be necessary, one that, at least so far, has been missing.

Interior Minister Danescu Discusses Corruption

AU1307091093 Bucharest CURIERUL NATIONAL in Romanian 9 Jul 93 pp 1, 3

[First part of interview with Minister of Interior Lieutenant General George Ioan Danescu by Paul Lacatus; place and date not given: "Corruption and I Run Parallel; We Do Not Meet"]

[Text] [Lacatus] Mr. Minister, I would begin by asking you what would be the subject of discussion between the interior minister and a journalist in Romania at this point?

[Danescu] The phenomenon of corruption. While it is not the most important phenomenon, it is, however, viewed this way by both the press and certain politicians.

[Lacatus] Then let us begin with the famous Florica [former chief of the Financial Oversight Committee] case...

[Danescu] First we should note that throughout the world there is great concern about this phenomenon: investigations, arrests, the resignation of governments, early elections, and contested chiefs of state taken to court. The same thing is happening in our country: More and more investigation commissions. One could say that we have joined the top.

[Lacatus] Do you want to say that discussions about corruption are en vogue in our country?

[Danescu] The phenomenon exists, but I think we want to be up to what is happening in other countries where this phenomenon of corruption developed over the years and now has become an open sore. The measures taken in those countries are much more effective than in our country and that, I think, is so because there the majority of people of good faith have joined efforts to struggle against real corruption.

[Lacatus] Recently, you visited Italy. How are things going there?

[Danescu] There the president, prime minister, and minister of interior are struggling against corruption. The latter, however, is supported by all democratic forces, by parliament, and parties.

[Lacatus] Are things different in our country?

[Danescu] Excuse me, but there are only a few people who are struggling against this phenomenon. Among these there is the police and it actually ranks first. On the other hand, this government, which has existed 6-7 months and has inherited an empty sack—more precisely emptied by others—is made up of honest professionals who have been constantly obstructed. Perhaps there have been mistakes, but this government was determined to work and to do something for this country. The positive things that have been achieved have been explained several times, but this is not the topic we are discussing.

[Lacatus] What has the minister of interior, as a member of this government, done?

[Danescu] From the very beginning he proposed to put his own apparatus in order and to struggle, together with this apparatus, against violations of the law. What I had in mind first was to remove those who do not do their job with enthusiasm and dedication and those who—let us say—are corrupt. Some 400 staff members of the Ministry of Interior were sued or placed in reserve, not to mention the disciplinary sanctions taken against them. I still have my doubts about some of the people and maybe others will follow the 400 I have mentioned. When I became the chief of this ministry I made a promise and I want to keep it. In this sense, I set up two or three new bodies to struggle against organized crime and corruption, and a control corps to reveal acts of corruption within the Ministry of Interior. Although we do not have many people available for this purpose, we have already reaped some results.

[Lacatus] Was it absolutely necessary to set up such a control body?

[Danescu] When I joined the ministry, there was a lot of confusion. And that would have continued if the same people had stayed in the leadership who either did not know their job or protected the interests of another group, including parties, or, why not say so, were preoccupied with weakening the minister as much as they could. But I did not get discouraged; I formed a new leadership and noted with satisfaction that the entire apparatus of the ministry endorsed my ideas, even if there are still certain people in leadership positions who have not yet adjusted to this regime of discipline and honest work. These people, however, will be removed by life, without my contribution. The funny thing is that beginning with this struggle against corruption, I have now reached the point where I myself am accused of corruption!

[Lacatus] You have mentioned a very serious thing, namely that there are people in the Ministry of Interior who try to make the ministry do poorly...

[Danescu] There have been and still are people who want the Ministry of Interior to be a weak ministry that cannot ensure order and public peace, thus favoring disorder in our country to discourage foreign investors and tourists. And they can do this either at the initiative of their boss or at the initiative of someone outside the ministry.

[Lacatus] Who are you referring to?

[Danescu] To those who, reading this interview, feel guilty, and you will recognize them.

[Lacatus] You are included in General Florica's famous list. I know you have lodged a complaint with the Prosecutor's Office against the former chief of the Financial Oversight Body. Nevertheless, why, do you think, have these accusations been raised against you?

[Danescu] There were no accusations while I was chief of the Romanian police. Neither were there any when—I being minister—General Florica was still chief of the Financial Oversight Body. Everybody knows that he is an intriguer, a man of no character; I think he has not spent seven years at home. Or, perhaps during the period when he was chief of the Financial Oversight Body things happened and changed him completely.

[Lacatus] Returning to the same problem, why were you accused?

[Danescu] As far as I know him, I do not think that his mind was at work in this respect, but somebody else's. I do not know whose, but one can work it out. If he wanted to draw parliament's attention, then why did he not approach the judicial commission, or the economic one for that matter? Why did he approach the Defense Commission, which has nothing to do with corruption? The only explanation would be that he himself is a military man. Or, who knows, maybe he does not know anyone in the relevant commissions and knowing Mr. Roman of the former government he said to himself: Better to approach someone who knows me instead of knocking at the doors of people I do not know... These are, however, just suppositions. Finally, let us say that the man wanted to draw attention to some dishonest actions. And I would congratulate all those who did the same on one condition: To tell the truth.

[Lacatus] Do you completely reject General Florica's affirmations?

[Danescu] Yes. The second day after I heard about Mr. Florica's list, I lodged a complaint with the Prosecutor's Office for defamation. As you know, the commission investigating this case has already found that corruption and myself are like two parallel lines that never meet. It is interesting that that the police has now begun to reveal acts of corruption and heads have fallen, precisely now that Mr. Florica's list has appeared, and the phenomenon is being swiftly turned against people in government; even people who started this struggle are suspect.

[Lacatus] In this case, what, do you think, is the undercurrent for launching this investigation?

[Danescu] There are many explanations: So that Mr. Florica's actions as chief of the Financial Oversight Body and those of other people may no longer be discovered. For instance there was the "Cigarette" case, which is not being pursued; I do not know whether the Financial Oversight Committee did not know of it or should not take note of it. Then I do not know whether Mr. Florica was in Constanta by accident when one of the people involved in the cigarette deal was in hospital and the general was the one to take him by car... As you see there are rather a lot of coincidences as far as Mr. Florica is concerned. But maybe some people are preoccupied with the idea that, because of the way we have started off, we will eventually reach them, thus establishing a national record in uncovering corrupt people. Maybe we have given a signal that we are on the way to discovering some bigger deals. Maybe... maybe... maybe...

Corruption, Police Demilitarization Viewed

AU1307105593 Bucharest CURIERUL NATIONAL in Romanian 10 Jul 93 pp 1, 3

[Second and final part of interview with minister of interior, Lieutenant General George Ioan Danescu, by Paul Lacatus; place and date not given: "The Wings of the Minister of Interior Cannot Be Cut"]

[Text] [Lacatus] Mr. Minister, do you think that you have become an annoyance in the position you now hold and through your current actions?

[Danescu] One thing is certain: Some people would like to cut off my wings. I want them to know, however, that the interior minister's wings cannot be cut.

[Lacatus] From what you say, I understand that we are talking about a corruption scandal rather than a scourge, occasionally generated by circumstances and interests. Would you given the corruption problem a different priority?

[Danescu] The number one problem for politicians, the government, and parliament has to be the situation of the economy. Corruption also has priority. Proof of this is the fact that our ministry, and not only our ministry, is making efforts to curb this phenomenon. But to make this the number one problem at this time is an exaggeration. For some people it has become a fundamental question: When they sit down at the table, it's corruption; when they get up from the table it's again corruption; when they get up in the morning, it's corruption, and when they take the microphone, they talk about corruption. I personally do not think that this is the number one problem.

[Lacatus] Nevertheless, the phenomenon of corruption exists. We come across it every single day, something that proves how widespread it is. The question is—and this is actually being discussed—how high a level has corruption reached?

[Danescu] I think that this phenomenon is widespread horizontally. There are certain vertical ramifications, but not the way it is presented today. I know the people in the government—it does not apply to them! True, ambiguous actions were taken in 1990, 1991, and 1992. And if there is anything to disclose, such things cannot be disclosed in this government, but in the former ones. We have proposed to shed light on certain things, it is our duty to do this, and we will do so. Did we make a mistake in the first months when we focused on reform and the preparation of draft laws and not on other things?

[Lacatus] Does the root of the corruption scandal also include a conflict between institutions, that is between the police and the Financial Oversight Commission?

[Danescu] I would not like to resume the discussion on Mr. Florica but rather ask the question, for instance, of why no one said anything for two years about what they now claim to know. The fact is, Mr. Florica got angry when the Economic Police started an offensive against all acts of corruption, including actions involving officials of the Financial Oversight Commission, customs officers, and others. He was irritated although we had agreed that each person should do his duty in his own apparatus. We have put some order into our institution and have referred the respective cases to the Military Prosecutor's Office. Mr. Florica thought he would able to keep those who made mistakes in the Financial Oversight Body until their retirement. This is where the scandal originated. It was, however, also given impetus by the interests I have mentioned, and it was fanned from all sides. It suited everyone. Newspapers made money on it, while politicians reaped political capital. I want to repeat, the Financial Oversight Commission and the Economic Police do not step on each other's feet as some people claimed. Both of them has well-defined duties: The Financial Oversight Commission pursues violations, while the Economic Police deals with penal law violations. The Economic Police is needed, and in countries where it does not exist they want to create it. It is our duty to apprehend those who steal, regardless of whether they are commissioners or customs officers. And this is what we did. At this point, Mr. Florica (and others) leapt up with indignation because he does not accept that there has to be balance and mutual control between institutions. The dismantlement of the Economic Police would give free rein to these kinds of violations, because the Prosecutor's Office with its small amount of personnel who are not specialized in gathering information, would be unable to cope. Certainly, this does not mean that the Financial Oversight Commission and the customs bodies do not include competent people with whom one can work to put an end to this scandal of corruption. Misunderstandings emerged at the top; generally speaking, things at the lower levels proceeded properly.

[Lacatus] There are such imbalances also in relations between the police and judicial bodies. I recall that several thousands of cases referred to the Prosecutor's Office were solved without penal proceedings being opened or were sent to the court only to be acquitted.

[Danescu] This probably happened because of the reduced staff of the Prosecutor's Office and maybe also because there was not enough fervor in coordinating activities; various cases proceed slowly and many of the delays may not be quite accidental.

[Lacatus] Nevertheless, aside from delays in investigations, very often the Prosecutor's Office solves cases without opening penal proceedings.

[Danescu] I would not like to intrude in the sphere of another authority. Maybe you should ask the Prosecutor General, who is open to dialogue. Things worsen a great deal when they reach the court. There are numerous cases when strange sentences are pronounced, to say the least; and we are not even talking of minor offences like negligence or of people with difficult social and family situations. There are suspended sentences, discharges on parole, minimum sentences, bailouts and acquittals in cases of serious violations, even in cases of manslaughter, rape, and so forth. The authorities hardly bear in mind the frequency of certain violations which become genuine plagues and should be firmly dealt with—of course within the framework of the law. I can only ask myself: What is to be done if judges pronounce such mild sentences? True, judges have to be independent, but should they not account to absolutely anyone?

[Danescu] The standard answer by the judiciary is that there are ways to appeal against sentences. Maybe the Penal Code should be harsher or the Code of Criminal Procedure should be amended. What is your opinion?

[Danescu] Yes, there are ways to appeal. But the value of a release on probation decreases; the one involved may—and even does!—commit other violations; he may go abroad, witnesses may fall ill, and after years and years of constantly going to court, the victim often gives up. As for the legislation, I think it is satisfactory, even though it is not complete. For, if the laws we have were

applied properly and by everyone—regardless of whether they are administration officials, police, or judicial bodies—things would calm down, especially with an improved and developed legislation. For this reason we will propose harsher sentences, particularly for serious offenses such as rape, robbery, violation of banking operations, falsifications, etc.

[Lacatus] The demilitarization of the police is an idea that has been aired a lot, including as a condition for recognizing Romania as a democratic state. To what extent is such a measure possible at this time?

[Danescu] Policemen are the first to support this idea. Were they civilians, they would work eight hours, they would no longer have to be in the streets as guards and enforcers of order during demonstrations, sports events, or other trivial purposes, which thus rank before the solution of difficult cases. The idea of demilitarization was actually advanced by Mr. Babiuc when he was minister [of interior] during a visit to the country of every opportunity—the United States—and when he returned from that visit. When, however, I took over the leadership of the Ministry of Interior I did not find any reason to proceed with Mr. Babiuc's idea. We are not talking about just flipping a pancake here; this is a problem that has to be well thought out. And I have to ask myself: If I pull out the people acting as guards and men of order, with whom do I replace them? Or do I just leave vacant positions?! And then again I ask: Who wants vacant positions in this respect? Moreover, when I took over the Ministry of Interior from Mr. Babiuc I found civilian jobs turned into military ones! Thus, we say one thing and do another... I do not reject the idea, but I had to start from scratch. I have a team examining this question. When proceeding with this idea, I have to maintain wages (which are quite low as it is); I have to know with whom I replace the people I pull out and within what time span (has the gendarmerie people to take over the rest?), and I have to work within the limits of a budget, etc. For us, civilian status would be a very positive thing. The policeman has to deal with discovering violations and not with anything else. And he does not insist on being captain or general. He can very well be commissioner or investigator. Commissioner Maigret sounds even better, doesn't it?

[Lacatus] Mr. Minister, this year's crime is almost double that of last year. How do you assess this situation?

[Danescu] The explosion of crime is distressing. The only encouraging thing is the fact that we solve almost all cases, namely 90-95 percent of violations. We have one policeman to every 700 citizens. Policemen in other countries are stunned by the results we achieve. In addition, they do not make the same efforts to solve such cases. I asked in Hungary how many stolen automobiles were found and I got a shrug of the shoulders. In our country, even stolen bicycles are registered... We try at least to have this phenomenon under control. Otherwise, I myself do not know what to believe. The son kills his father, the grandchild his grandparents!... Alcohol is sold to children in all the stores. And I ask myself: Don't these tradesmen have any children? Many of the serious violations stem from alcohol, particularly among minors. The police is trying to combat the effects, we are unable to control the causes. We can identify the causes and we name them. But who is heeding them?

[Lacatus] Lately you have had contacts with policemen from other countries. What is the purpose of such meetings?

[Danescu] We have had long-standing relations and they have to be maintained and developed, especially since this is possible now. I am not talking of trips as a tourist as was the case 50-60 percent of the time under Babiuc. We have professed a greater openness and have an exchange of experience mainly with those countries whose citizens come to Romania in large numbers, and to where Romanians prefer to travel. They are places where, inevitably, problems may arise: China, Italy, Germany, Ukraine, Moldova, and Poland.

[Lacatus] How do you assess the resources and efficiency of the Romanian police compared with what you learned during the aforementioned contacts?

[Danescu] I am always interested in finding out how the others are organized, how they work, how they deal with a new phenomenon, and then I compare it with the way we work. In many instances I have noted that we are superior to the police in other countries. We have extraordinary people. We are, however, short of staff, of equipment, and we suffer because neither the press nor others grant us as much support as we need (some even do not respect us) and they do not let us have the oxygen mask we need so much.

Opposition Groups Call For Cabinet Resignation

AU0907180893 Bucharest CURIERUL NATIONAL in Romanian 6 Jul 93 p 3

["The Opposition's Reaction to the Government Statement"]

[Text] The 3 July 1993 statement via television by the opposition parties represented in parliament is signed by representatives of the National Peasant-Christian Democratic Party, the Liberal Party '93, the National Liberal Party-Christian Democratic, the Civic Alliance Party, the Ecological Party of Romania, the Social-Democratic Party of Romania, the Democratic Union of Hungarians in Romania, and the Democratic Party (National Salvation Front).

The parliamentary opposition rejects the absurd and slanderous attack in the government statement presented on national television on the evening of 5 July. Aside from infantile attempts—similar to the triumphant style in which the "golden era" used to describe imaginary achievements—the government tried to place its responsibility on the shoulders of the opposition.

The entire population is strongly affected by the policy promoted by the current government, the result of which is as follows:

—An intolerable increase in prices, especially those for basic products required by the people, thus mercilessly affecting the families of pensioners, workers, farmers, and public servants, and shattering the hopes of young people;

—The expansion of confirmed corruption that has enveloped the government and its institutions;

—A tremendous increase in unemployment in the past eight months and the absence of any hope for an improvement in the situation of jobs.

These are the direct results of the government's activity and—naturally—only the government is responsible for the general degradation of the economy and the alarming poverty of the population.

It is insincere and cowardly to affirm that the opposition is to blame for the nonprofessional, superficial, and incoherent preparation of measures of great economic and social significance such as the elimination of subsidies and the introduction of the value-added tax, as well as the attempt to condemn the opposition for the government's incompetence to fulfill its own promises regarding backing the peasantry in carrying out their main agricultural work, creating hundreds of thousand of jobs, and ensuring social protection, especially for those segments which are at the greatest disadvantage.

The demagogic slogans and deceitful propaganda cannot replace facts. The population's increasing mistrust in the government calls for the resignation of the Vacaroiu cabinet. Only thus will the path be open for setting up a broad coalition that will support a genuine reformist and democratic government.

Foreign Media Bulletin: Balkan Crisis 13 July
WA1307154193

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Bosnian President Izetbegovic announces he might participate in peace talks ... Bosnian Serb daily accuses Serbian officials of smuggling goods to Muslims ... Serbian mortar shell kills 12 in Sarajevo suburb ... Water, electricity to be restored in Sarajevo ... Enteritis outbreak feared in Gorazde.

POLITICAL

IZETBEGOVIC MIGHT PARTICIPATE IN TALKS (Sarajevo Radio): Bosnian President Izetbegovic, who has boycotted recent peace talks among the warring factions in Bosnia, announces that he is "ready to accept" an invitation by international mediators Owen and Stoltenberg to participate in a new round of negotiations in Geneva. Izetbegovic conditioned his participation on a cessation of fighting and an end to blockades of food, water, electricity, and gas to Muslim cities. (AU1207202493)

SERBIAN OFFICIALS ACCUSED OF SMUGGLING (TANJUG): Bosnian Serb daily GLAS SRPSKI accuses "war profiteers" in the Bosnian Serb republic and the Serbian Krajina of smuggling "huge quantities of gas, oil, cigarettes, and flour" to Muslims in Bihac. The article claims that although the UNPROFOR has been blamed for supplying Muslims in the area with basic provisions, it is actually "Serbian officials" who are selling the goods to the Muslims at inflated prices. (LD1207133593)

MILITARY

SERBIAN MORTAR SHELL KILLS 12: Sarajevo Radio reports that a Serbian mortar shell killed 12 civilians standing in a line for water in a Sarajevo suburb. An additional 16 people were wounded. (AU1207181993)

HUMANITARIAN

WATER, ELECTRICITY TO BE RESTORED IN SARAJEVO (TANJUG): Bosnian President Izetbegovic and Bosnian Serb leader Karadzic agree to restore Sarajevo's electricity and water supply and to guarantee the safety of UN peacekeepers repairing supply networks damaged during fighting. (LD1207184093)

DOCTOR WARNS OF EPIDEMIC IN GORAZDE (Zagreb Radio): Gorazde hospital administrator warns of possible outbreak of enteritis in the Muslim enclave due to a "water shortage and a lack of basic hygienic conditions." Between 300 and 500 people bearing symptoms of the disease have been reported at the hospital. (LD1207211293)

Izetbegovic To Join in Talks; Demands Attacks Cease

AU1207202493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Text] Esteemed gentleman: The cochairmen of the international conference on the former Yugoslavia, David Owen and Thorvald Stoltenberg, are demanding that I participate in the next meeting on halting the war in Bosnia-Herzegovina, which is to be held soon in Geneva. This is said in the letter that President Alija Izetbegovic of the Bosnia-Herzegovina Presidency sent to Butrus Butrus-Ghali, secretary general of the United Nations, U.S. Secretary of State Warren Christopher, EC Chairman Mr. Peterson, and cochairmen Owen and Stoltenberg.

I am ready to accept this invitation, but I believe that it is also necessary that all attacks aimed at conquering new territory cease and that a stop be put to using blackmail with food, electricity, water, and gas as a means of war not only against Sarajevo but also against the other cities in Bosnia-Herzegovina. If you regard these conditions as reasonable, then I appeal to you to support them and do what is needed to have them respected. I state that the Bosnian side will abide by these conditions. I am certain that the moment has come to halt the war in Bosnia, but your support and help are needed.

This is said in the letter by Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency.

Krajisnik Rejects Presidency's New Formula

AU1207180893 Belgrade Radio Beograd Network in Serbo-Croatian 1509 GMT 12 Jul 93

[Interview with Momcilo Krajisnik, chairman of the Serbian republic assembly, by unidentified studio announcer on 12 July; place not given—live]

[Text] [Studio announcer] Good day, Mr. Krajisnik. We would like to ask you to give us your arguments for believing that a federal Bosnia-Herzegovina is or is not acceptable to the Serbian side.

[Krajisnik] I do not know whether you mean a confederal or a federal Bosnia.

[Studio announcer] A federal one. Why is or is not a federal one acceptable?

[Krajisnik] A federal Bosnia-Herzegovina would in fact be a unitary state. This proposal that the Presidency is putting forward now is an example of their poor assessment, as a federal Bosnia-Herzegovina would be a state and the reality that exists in Bosnia-Herzegovina today would be annulled. Bosnia-Herzegovina has in fact been divided. This reality, that Bosnia has already been divided, has to be accepted if the war is to stop. This should be sanctioned and internationally verified.

If we accept the concept proposed by the illegal Bosnia-Herzegovina Presidency to organize Bosnia-Herzegovina as a federal state, then (?the war option) would have to be accepted, because only war and an imposed solution could annul the realistic situation in which Bosnia has already been divided along the ethnic principle. [sentence as heard]

[Studio announcer] As far as we [words indistinct] this proposal by the pro-Muslim Bosnia-Herzegovina Presidency, the Army is not a joint one. This is not typical of a confederal form of constitutional organization. How do they envisage such a state, which does not have the vital element, a very important function? [passage as heard]

[Krajisnik] The Bosnia-Herzegovina Presidency, which is trying to buy time with this maneuver and to impose an impossible solution, is in fact trying to impose a solution of a federal Bosnia, even though they know that this cannot be accepted by the other two nations. They have brought in some elements of the confederal into their federal concept in order to get the acceptance of the two other sides, or to make it out that we are the guilty party that does not accept a model that they think is acceptable.

It is impossible to [changes thought] there have been cases of organizing countries or state communities, and what Mr. Izetbegovic and the Muslim side have been proposing throughout all the talks, it is something that [word indistinct] and has never been done anywhere in the world, nor could it function well in Bosnia-Herzegovina, which used to be called the Yugoslavia in miniature. The only posssibility is to carry out the division now and sanction the real situation. They have not proposed such a solution unthinkingly. They are proposing a solution that we cannot accept so as to get the anathema of guilt off the Muslim side onto the Serbian one, and if possible onto the Croatian side, too, which is now the enemy of the Muslims in this conflict.

[Studio announcer] I suppose that you have some information concerning the continuation of the Geneva talks that would interest our listeners. Do you think that the international community, that is, significant and influential circles—including of course the London Conference and its bodies—will support what it has already supported? The confederal model.

[Krajisnik] I have to say that we need to compare this situation with the situation when the Vance-Owen plan was proposed. The Vance-Owen plan is actually a proposal that could have been forced on the Serbs despite the Serbs' right to decide about their fate. Namely, someone was pushing us into giving up our right to self-determination, and to accept mutual existence with the Muslim and Croat national community in Bosnia-Herzegovina, although it is clear that the Serbs are not

about to accept this because they have the bitter experience that mutual existence means accepting a forced solution, and a patronage and majoritary rule by the Muslims.

The situation is now completely different, and I believe that it is to the advantage of the Serbs. A great positive step ahead has been accomplished, because the Serbs are proposing equal treatment for all three national communities. [Word indistinct] we could not do, and it is obvious that we could not live together, we could not find a common tongue, and it is now necessary for us not to live together, according to the principle which says that no one can force a solution onto anyone else.

If the Muslims wish to live together with the Croats and the Serbs, and if the Serbs do not want this, what remains for them is to propose to the Croat national community to remain in some kind of state on the territory of the former Bosnia-Herzegovina. We have the right, a quality right that no one can force us, as in some arranged marriage, to live with the Muslims and Croats if we do not feel that in such a state community we can preserve our rights. And it is obvious, as we have experience not only from this war but from prewar times that we cannot be sure that in a mutual existence we would be able to realize our national, religious, and state-forming rights.

That is why I believe that the international community has seen, has realized, and now (?all the presidents) have done so as well, that this Serbian right does not limit the right of the Muslims. That is why the international community has supported the confederal model and the cochairmen's statements, and the statements of all those who are participating in our conflict, are such that the only solution, the only proposal, is a confederal organization of Bosnia- Herzegovina. According to the information we have received from the Geneva Conference, negotiations should take place this week.

[Studio announcer] Mr. Krajisnik, let me just ask you whether you expect perhaps a sharper, more forceful diplomatic end to this round of the peace negotiations, because all the statements suggest that an agreement should be reached as soon as possible. Lord Owen's and the statements made today by Marti (Aathisari), and Radovan Karadzic said the same thing just a few days ago. Therefore, the negotiations need to be speeded up.

[Krajisnik] I do not believe that the Muslims are serious, and I do not think that they are unrealistic. Mr. Izetbegovic is not unrealistic. I know him very well, and I am not sure—better yet, I am sure—that he also wants a partition, because he favored one organization of Bosnia-Herzegovina as a unitary state, because someone in the West—Western interests tried to realize their rights in this area through him—so they promised him the entire Bosnia-Herzegovina as a Muslim state.

If this option has dried up, so to speak, and if there is no military intervention, then the other remains, the one for which we are convinced exists. This is that the Muslims will accept a confederation, to have their own, smaller Bosnia-Herzegovina, as large as the ethnic area of the Muslim people. Whether we are going to be able to carry out stronger political action, activity in this period, I am convinced of that because the only controversy that remains is for us to divide and to have maps drawn up. [sentence as heard] This is the only controversial question. This means that if we are able to find a way in which to [words indistinct], then we have solved the entire problem. Everything else is a secondary issue.

[Studio announcer] Many thanks to Momcilo Krajisnik, chairman of the Serbian republic assembly, for clarifying these issues connected with the two possible options, the federal and confederal form of Bosnia-Herzegovina's future organization. Thank you again.

British UNPROFOR Soldier Wounded in Bosnia

LD1307135293 Belgrade TANJUG in English 1329 GMT 13 Jul 93

["Pool" item]

[Text] Belgrade, July 13 (TANJUG)—A British soldier from the U.N. Protection Force (UNPROFOR) was wounded on Monday outside Gornji Vakuf in central Bosnia-Herzegovina (BiH), the scene of Muslim-Croat fighting, TANJUG learned at the UNPROFOR H.Q. in Belgrade on Tuesday.

The UNPROFOR said the British soldier was wounded when his U.N. vehicle drove over a mine.

Bosnian Muslims and Croats, until recently allied in fighting local Serbs, have been fighting each other fiercely since the beginning of this year for domination over territories with mixed Muslim-Croat population, especially in central Bosnia and northern and central Herzegovina.

Since March, 1992, when the first U.N. peace-keepers arrived in the territory of former Yugoslavia, so far 51 of them have been killed, and 498 wounded or injured.

HVO Aircraft Bombs Mostar Residential Area

AU1307143093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 13 Jul 93

[The Mostar Press Center report]

[Text] According to the statement of the Fourth Corps Command, fighting is taking place in the region of Buna, [word indistinct], Gubavica, and other surrounding villages south of [word indistinct] airport. To judge by information received so far, the Army has made significant advances and its forces are taking the initiative over the region around Buna and Gubavica. [words indistinct] an organized resistance to the Croatian Defense Council [HVO] by the local population of [word indistinct], Domanovici, and the entire Dubrava plain, where the HVO pro-ustasha extremists have been carrying out an unprecedented terror campaign over the last few

months against innocent civilians and the Bosnia-Herzegovina Army members.

In Mostar itself, last night the Croatian Army again flew over the city and a fighter aircraft Utva dropped four bombs on residential areas in the part of the city under the control of the Bosnia-Herzegovina Army. [words indistinct] was relatively quiet.

The clashes in the region of Buna and Gubavica have been confirmed by HVO sources, whose statement is carried by the radio of the Croatian community of Herzeg-Bosnia and Croatian radio. This statement confirms that the Bosnia-Herzegovina Army has made (?initial) advances.

According to the latest information that we have received from the Fourth Corps Command, HVO fighters were again taking out their military frustrations by ill-treating civilians. This morning [word indistinct] civilians were (?taken to) the (?Aviation bridge) [Avijaticarski most] to be used as a human shield to prevent the advance of the Bosnia-Herzegovina Army.

Croat Spokesman Claims B-H Army Launching Offensive

AU1307133893 Paris AFP in English 1324 GMT 13 Jul 93

[Text] Zagreb, July 13 (AFP)—Moslem forces launched a "violent offensive" against Croat positions south of Mostar in southern Bosnia-Herzegovina early Tuesday morning, according to Veso Vegar, a spokesman for Croat forces, speaking on the telephone from Mostar.

A U.N. Protection Force (UNPROFOR) spokesman in Zagreb, relying on unconfirmed reports from local sources in Mostar, said the Moslem Bosnian Army began the attack at 5 a.m. (0300 GMT).

He was not able to provide any further details.

The Moslem units advanced from Blagaj, Gnojnica and Bisca Polje—villages to the south of Mostar—towards Gubavica and Buna, lying further north, Vegar said.

The Moslem advance was halted during the morning, but "violent" clashes involving infantry and artillery took place south of Mostar towards midday, Vegar added.

The Moslem offensive aimed at blocking the road to the Croat-controlled towns of Stolac and Capljina, south of Mostar, according to Vegar.

He interpreted the Moslem offensives as an attempt to create a corridor between territory under Moslem control in central Bosnia and the Adriatic coast.

However, according to Croat military sources, a recent Moslem offensive to the north of Mostar which aimed at opening up the area to the east was unsuccessful.

Mostar is the second-largest city in Bosnia and had a mixed population prior to the conflict in ex-Yugoslavia.

Muslims Attack HVO Forces Near Mostar

LD1307093693 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 13 Jul 93

[Text] Last night, Muslim forces started attacking Croatian Defense Council [HVO] defenders from the direction of Blagaj, Gnojnice, and Bisce Polje, trying to seize Gubavica and Buna, by which Stolac and Capljina-bound roads could be blockaded, the Mostar HVO has reported. Heavy infantry and artillery fighting is in progress in that area. The HVO is trying to halt the attacks. Northern approaches to Mostar and the town itself are peaceful at the moment.

Around noon yesterday, a fresh infantry attack by the Muslim army on almost all defense lines in Kiseljak began. At least five people have been killed. Fojnica also came under artillery attack while heavy fighting has been in progress on Mt. Inac for several days. Following fierce infantry attacks by numerous formations of the Muslim army, the HVO forces had to leave their positions on that mountain.

Muslim Attacks on Croats in Kiseljak Area

LD1207180793 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Report from Kiseljak by correspondent Zdenko Vranjes]

[Excerpts] The Muslim army today launched the strongest attacks on Croat Defense Council [HVO] positions and Croat villages in the areas of Kiseljak, Fojnica, and Kresevo in central Bosnia. [passage omitted]

Fierce fighting has been in progress on Mount Inac for two days now. Following strong infantry attacks by numerous units of the Muslim army, HVO forces had to abandon their positions on this mountain last night. Muslim forces managed to capture some villages at the foot of the mountain, in the municipalities of Kresevo and Fojnica, but fighters of the Ban Jelacic Brigade managed to regain control of these villages. Two HVO members were killed in the fighting and several were wounded.

There is no major fighting around Busovaca, Vitez, and Novi Travnik, but several people were wounded today by sniper fire and mortar shells sporadically fired by the Muslim army on villages in the area.

HVO military sources today released their information on recent clashes within the Muslim army which took place in Zenica. It has been announced that 18 soldiers were killed in these internal clashes between two factions.

Mostar is relatively quiet today.

Attacks at Maglaj, Zavidovici, Gorazde Continue

AU1307111193

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 13 July carries the following reports on the fighting in the Republic:

Hajrudin Sermic reports that "the attacks of the united chetnik and ustasha forces at our defense lines and the civilian population, which has been kept in encirclement for days, lasted until early morning." As he reports, tanks and mortars pounded the defense positions in the region of (?Ljestice) while the antiaircraft machine guns kept all communications routes in the town under fire. Sermic reports that "the civilian quarters of town" were attacked by 155-mm howitzers, mortars, and Maljutka guided missiles. Beside the "enormous material damage incurred," three people received serious injuries, Sermic says.

A dispatch by the Bosna Operative Group of the Bosnia-Herzegovina Army reports "continued" attacks at Zavidovici and its surroundings. "Several hundreds of tank, gun, and mortar bombs fell on Dubravice in the course of the night," the report says, adding that a local mosque was also destroyed on that occasion. As it is reported, the soldiers of the Bosnia-Herzegovina Army succeeded in "destroying an enemy tank with the complete crew." "The town and its surroundings were under artillery attack by the chetnik-ustasha attackers the entire day," the report goes on, adding that great material damage was incurred. "The morning of 13 July is relatively peaceful," the report concludes, while "the defense lines remain firm."

"The chetnik artillery offensive against the free territory of Gorazde has not been stopped in the course of yesterday," Mustafa Kurtovic reports, "and since this morning the Serbo-Montenegrin criminals have stepped up their attacks on the defense lines and [word indistinct] suburban villages." Quoting the opinion of the command of the East Bosnia Operative Group of the Bosnia-Herzegovina Army, Kurtovic expects that "once the chetniks [word indistinct] their troops, they will try to attack Gorazde again." Kurtovic also reports that the epidemic of enterocolitis in Gorazde is spreading. He also urges the international humanitarian organizations to facilitate the evacuation of "approximately 50" seriously injured children from Gorazde hospital, who cannot be treated because of lack of medication and equipment.

Doctor Urges Medical Attention for Gorazde Epidemic

LD1207211293 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 12 Jul 93

[Excerpts] The Gorazde information service has reported through radio ham operators that a new chetnik artillery attack on the free area of Gorazde has been under way since yesterday. [passage omitted]

Due to a water shortage and a lack of basic hygienic conditions, an epidemic of enterocolitis with different symptoms has spread in Gorazde. Dr. Alija Begovic, the Gorazde hospital manager, has said that between 300 and 500 sick people have been reporting to the hospital daily with the symptoms of this stomach disease. In order to stop the epidemic, medicines must be sent to Gorazde, Dr. Begovic says.

Serb, HVO Attacks on Muslims Continuing

AU1207193593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Text] Zavidovici was once again exposed to strong enemy fire, and the united aggressor fired several dozens of mortars on Dubravice. Rujnica also came under attack from the chetniks and Croatian Defense Council [HVO] members, but the defense lines were not endangered. This has been reported by the Press Center of the Bosna Operative Group.

Salih Brkic has reported that in the zone of responsibility of the Bosnia-Herzegovina Army Second Corps, the fiercest fighting is still taking place in Bosanska Posavina and the region of the Doboj-South Operative Group. The chetniks, however, have not been passive on the other fronts, although these attacks have been less intensive. The aggressor fired over 150 artillery projectiles at the village of Turija in the Lukavac commune, and he used 155-mm howitzers against the almost totally destroyed Olovo. The enemy attacked the Banovici and Kalesija areas with artillery several times today. Only sporadic enemy small arms fire and mortars have been reported today from the Kladanj front and the Mt. Majevica front near Tuzla.

The Gradacac Press Center has reported that Gradacac also found itself under heavy artillery fire of the aggressor today. Mortars were used against Liporasce and Mionica and 155-howitzers against Pozarike and Kitici, while several shells landed on the town itself. Strong artillery attacks from all directions continued in the early afternoon hours, trying in vain to destabilize the defense lines.

The announced convoy with food and medicine for Gorazde did not arrive by 1730 [1530], Enes Musevic has reported, and so the tragedy continues for the people of this town, which only manages to survive thanks to the airdrop operation. On top of this, the chetniks continued to shell the surrounding villages of Gorazde today, so this region is once again in the position to not only need help but need it urgently.

As for Gornji Vakuf, the HVO fighters, apart from persecuting the Muslim population, are continuing to shell civilian targets in an obvious attempt at threatening the lives of the innocent. They are firing directly at blocks of flats. HVO members wounded an UNPROFOR member today and increased the shelling of the town's center, we have been told by Atif Agic.

Mehmedalija Zulic reports that there has been no peace on the Bihac front either. The enemy fired a dozen artillery shells at the wider region of the Cazin commune, while mortars were used against the railway station in Bosanska Krupa. There were no casualties, but the damage is considerable. On the (?Grbuski-Srljanski) plateau, the aggressor kept up fire with antiaircraft weapons against the defense positions of the Bosnia-Herzegovina Army Fifth Corps. Regrouping of the enemy infantry and equipment was registered on the temporarily occupied territories, which clearly indicates the possibility of new attacks by the aggressor on the Bihac front.

Serbs Capture 'Strategically Important' Rogoj Pass

LD1207180193 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Excerpt] Major Barry Frewer, a UN Protection Force [UNPROFOR] spokesman, said at a news conference at the Sarajevo UNPROFOR headquarters today that in heavy fighting in the last few days the Serb units have taken the strategically important mountain pass of Rogoj, on the road linking Sarajevo and Kalinovik, and the town of Trnovo, 30 km from Sarajevo.

During last night and today 3,400 Muslim refugees from the territory arrived in the area of Igman, which is under the control of the Bosnia-Herzegovina Army. [passage omitted]

'Chetnik' Shell Kills 11 Sarajevo Civilians

AU1207181993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Dzevad Dziho report from the Dobrinja district of Sarajevo]

[Text] The chetniks have committed another crime in Dobrinja. Just before 1600 [1400 GMT] a shell fired by the aggressor killed 11 civilians. Another 16 sustained severe or light wounds. They were all waiting in a line for water at one of the Dobrinja pumps. They were killed by the same criminals who deprived them of all their rights to a normal life and finally took that last thing away from them.

The wounded were given emergency treatment in the Dobrinja hospital, while five severely wounded were taken to the city hospitals. The commission of the U.N. observers came to the scene of the crime but, apart from establishing the facts, one cannot expect them to do anything to prevent such crimes being committed against the civilian population in the future.

Scattered parts of water canisters and bits of massacred bodies unfortunately remain as evidence of yet another criminal chetnik massacre in Sarajevo's largest suburb.

Many Critically Wounded

AU1207195093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Edin Kukavica report from Information Center of the Bosnia-Herzegovina Army First Corps]

[Text] The seemingly quietest days in the Sarajevo inferno regularly claim the most victims of the chetnik artillery orgies, particularly among the civilian population. Around noon today in Stari Grad, two of our fellow citizens were killed and three were severely wounded by a mortar that came from the Trebevic region.

For Dobrinja, this is one of the black days that the citizens of this part of the city will remember. In the housing estate C-5, one mortar that landed among the people who were waiting to get some water killed 12 Dobrinja people and wounded 16. Four of those are listed in critical condition. The majority of the killed and wounded were women and children. A six-year-old child was among those killed. An hour later, two more shells fired from one of the artillery positions landed on the same location but fortunately without consequences.

Serb Army Accuses Muslims of Attack

LD1307132493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1243 GMT 13 Jul 93

[Text] Belgrade, 13 Jul (TANJUG)—The General Staff of the army of the Serb republic [VRS] in Bosnia-Herzegovina today issued a statement rejecting any involvement of its troops in the latest incident that took place in the Sarajevo suburb of Dobrinja where 12 people were killed and 15 wounded in a line of people waiting for water yesterday afternoon.

In the statement that was sent to TANJUG the VRS General Staff stresses that the attack was carried out by Muslim units based on Mt. Igman.

The statement expresses the indignation of the VRS General Staff in connection with the incident, saying that it is a mad and transparent policy pursued by the Muslim leadership which "to avoid negotiations and have the Serbs accused in the media for the mentioned incident, is treacherously sacrificing the innocent people of Sarajevo."

Serbs Advance Toward Mt. Igman, Enter Villages

LD1307120593 Belgrade TANJUG Domestic Service in Serbo-Croatian 0849 GMT 13 Jul 93

[Text] Trebinje, 13 Jul (TANJUG)—After units of the Herzegovina and Sarajevo-Romanija Corps liberated Trnovo municipality, the Serb forces continued advancing toward Mt. Igman and entered the villages of Tosici, Turovi, and Godinja last night, the information service of the Herzegovina Corps reported this morning.

At the same time units of the Sarajevo-Romanija Corps yesterday seized the entire area of Mt. Grebak which was a notorious stronghold of Muslim forces who suffered fresh losses, the Corps said.

The seizure of the mentioned territories and the linking up of units of the Herzegovina and Sarajevo-Romanija Corps has provided a huge space for maneuver for the Serb forces to take further actions aimed at liberating Serb areas.

Serb and Muslim forces yesterday also clashed in the region of Glavaticevo in the Konjic part of the battlefield, where heavy exchanges of artillery fire took place.

Muslims Launch Artillery Attack on Doboj

LD1207175593 Belgrade TANJUG in English 1702 GMT 12 Jul 93

[Text] Doboj, July 12 (TANJUG)—Bosnian Moslems on Monday afternoon launched an artillery attack on the Serb town of Doboj in northern Bosnia-Herzegovina.

There are no reports about casualties, but material damage is extensive, TANJUG's correspondent in Doboj says.

For the past 16 months, Bosnia-Herzegovina has been the scene of a fierce civil, ethnic and religious war between local Moslems, Serbs and Croats over Moslem attempts to transform Bosnia into a unitary state where they would dominate.

Bosnian Serb military sources report no major fighting along the Sava river in northern Bosnia, on the border with the breakaway Yugoslav Republic of Croatia.

The Moslems sporadically opened fire from small arms, but the Serbs did not respond, the sources add.

Army To Recapture Trnovo, Rogoj Mountain Pass

AU1207201493 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 12 Jul 93

[Text] We have just received the latest information from the Press Center of the Bosnia-Herzegovina Army.

After days of heavy clashes and the capturing of the Rogoj mountain pass, the aggressor's forces managed to enter Trnovo from the direction of (?Drljas) yesterday at approximately 1800 [1600 GMT]. Meanwhile, the chetniks are controlling the Dobro Polje-Rogoj-Trnovo road and the (?facilities) northeast from the road. Our forces, which were forced to temporarily withdraw in front of the strong aggressor's forces, are consolidating and setting up a new defense line, preparing to recapture the lost positions. The fighting is still under way.

Sarajevo To Have Water, Power Restored

AU1307134293 Paris AFP in English 1331 GMT 13 Jul 93

[Excerpt] Sarajevo, July 13 (AFP)—Electricity and water could be restored in Sarajevo by week's end if Bosnia's warring factions respect an agreement signed by Moslem and Serb leaders, a member of the United Nations said here Tuesday.

"If everything goes well," things could return to normal by the end of the week, said Nicolas Studer, the head engineer of the U.N. Protection Force (UNPROFOR) stationed in Sarajevo.

The city has been without electricity or water for several weeks due to heavy fighting that damaged electricity lines and water pumping stations and hampered repair efforts.

On Monday Bosnian President Alija Izetbegovic and Bosnian Serb leader Radovan Karadzic signed an agreement covering repairs to water, gas and electricity supplies in the war-torn capital.

The accord "guarantees the safety of the UNPROFOR whilst they are on repair missions."

Studer said that the initial phase of repairs will require transferring electrictiy from the Kakanj power plant, located in a Moslem-held region 50 kilometres (30 miles) from Sarajevo, to the Blazuj power plant which supplies Serb-held areas west of Sarajevo.

Studer said these repairs will enable the reactivation of a water pumping station that previously supplied 80 percent of Sarajevo.

Studer said a second phase of repairs will entail restoring electrictiy to all of Sarajevo and, to appease the Serbs, repairing power lines within Serbia proper, which would enable them to resume production at a weapons factory making mortar and artillery shells.

Studer said the second phase of repairs has not be approved yet by Moslem and Serb leaders.

The U.N. is also asking for safety guarantees to protect its repair teams. [passage omitted]

UNPROFOR Safety Guaranteed

LD1207184093 Belgrade TANJUG in English 1836 GMT 12 Jul 93

[Text] Belgrade, July 12 (TANJUG)—Bosnian Moslem and Serb leaders Alija Izetbegovic and Radovan Karadzic on Monday gave their approval for the restoration of water and electricity supplies in Sarajevo, the capital of the war-ravaged former Yugoslav Republic of Bosnia-Herzegovina.

The agreement, mediated by former French Minister of Humanitarian Affairs Bernard Kouchner, guarantees

safety to U.N. peace-keepers in repairing the city's water and electricity supply networks, the French News Agency AFP reports.

Kouchner, who arrived in Sarajevo on Sunday at Izetbegovic's invitation, on Monday attended a celebration of St. Peter's Day organized by the ruling party of Bosnian Serbs, the Serb Democratic Party (SDS). St. Peter is the patron saint of the SDS.

About 300,000 people in Sarajevo, including 100,000 Serbs, have been without water and electricity for months because the city power and water supply lines were damaged in fighting between the three warring sides—Moslems, Serbs and Croats.

French General Jean Cot, new commander of the U.N. Protection Force (UNPROFOR) in former Yugoslavia, said on Monday that Sarajevo would die if the blockade was not lifted three months before winter.

The civil war in Bosnia-Herzegovina broke out in April last year over Moslem efforts to transform Bosnia into a unitary state in which the Christian nations—Serbs and Croats—would be downgraded to national minorities.

Karadzic: 'Main Impulse of Liberation' in Serbia

AU1207201293 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 12 Jul 93

[Text] Over the weekend, the delegation of the Socialist Party of Serbia [SPS] visited Pale. The SPS representatives talked to Radovan Karadzic and presented the wounded in Pale with humanitarian aid and medicine. Here is what Deputy Chairman of the SPS Goran Percevic and the president of the Serbian republic said after official talks:

[Percevic] The first impressions are such that we gave thanks for our truly sincere welcome. We were given an exceptionally warm welcome here in Pale, and we, of course, felt ourselves to be among our brothers, and as though we were in our own land. It really is our impression that a Serbian people's state has actually already been established here. It seems to function completely, and what impressed us most is the optimism and the faith in realizing our national goals, which we were able to see among the people of the Serbian republic.

[Unidentified reporter] I hope that some concrete agreements were reached that will be of great use to both us and the Republic of Serbia.

[Percevic] It is certain that these talks were marked with a political stance that understands a continuation of political unity among parts of the Serbian people, and it is certain that the results of the national policy that have been achieved so far were primarily the result of a national policy that started from the unity of interests of the Serbian people. It is certain that this will be so in the future as well.

[Unidentified reporter] Thank you and come to visit us again. Mr. President, how do you assess these talks?

[Karadzic] Well, I think that up until now we have had few interparty contacts. This is unjustified. We have a stance, an ongoing inclination to have close contacts and to cooperate with all patriotic parties in the Republic of Serbia, and it is especially our obligation to have close contacts and to cooperate with the ruling party. All the more so since all the patriotic parties in Serbia supported the democratic right of the Serbs in the former Bosnia-Herzegovina to fight for their freedom with political means for as long as possible. However, when they pushed us into an armed conflict, we had to accept this conflict.

Our own exceptional gratitude to Serbia as a state and to its institutions, which aided us both morally and materially—not in the military sense because unfortunately, there are more than enough arms and ammunition in Bosnia—but rather in helping us establish our own television and radio and other aid in food and medicine.

Therefore, this great aid would not have been realized had it not been for the ruling party in the first place, and for the help of the people and communes and companies. All this would not have been possible if the ruling party and other patriotic parties had not developed a relationship with the Serbs outside Serbia, which is after all written in the Constitution. I believe it is Article 47 that obligates Serbia to take care of Serbs outside Serbia. In this respect, this visit has not come too late, but maybe we should have had more contact earlier. I believe that in the future that we will have more contact, and that this will be on a daily basis, so to speak.

[Unidentified reporter] There are bound to be many more issues to be discussed, and with which the brotherly Serbian people will be able to help one another.

[Karadzic] Yes. I believe that there are no differences when it comes to basic issues dealing with the survival of the Serbian people. We could even say that the liberation movement, the political liberation movement, the political climate for the liberation of the Serbian people primarily originated in Serbia, although we suffered for a long time both here and in Croatia, but the real, main impulse originated in Serbia. This happened when President Milosevic appeared on the scene, and later a process by which the Serbs democratically founf their feet was released and initiated.

We must be aware that we could not, neither we here nor the Serbs in the former Croatia, in the Krajina that is, could have defended our rights without Serbia.

Travnik Leaders Call For UN Help With Refugees

AU1207153293 Paris AFP in English 1452 GMT 12 Jul 93

[Text] Han Bila, Bosnia-Herzegovina, July 12 (AFP) - Town leaders in the besieged Moslem enclave of Travnik called Monday on U.N. forces to transport a flood of refugees into a nearby mountain village, beyond the range of Serb gunners.

The move was announced after U.N. trucks took hundreds of refugees to the central Bosnian town through battlelines, swelling a refugee centre there which already plays host to some 700 people.

The refugees were taken to Han Bila, 10 kilometers (six miles) from Travnik, where they enjoy relative safety beyond the range of Serb artillery but still face a struggle to survive.

"There is no more food," said the local Bosnian Army commander Midhat Poric-Hadzija, "we have not had a convoy here for more than two months."

Poric-Hadzija, who returned after 20 years in Switzerland to "defend Bosnia," said the new arrivals had swelled Han Bila's population from its pre-war figure of 500 to about 2,000.

The village lies on the only road still linking Travnik with Zenica, two Bosnian strongholds.

"But the humanitarian convoys don't get as far as here on account of Serb and Croat roadblocks," Poric said.

For refugee Omer Delic, the drive along narrow mountain roads to Han Bila was the last stage of a two-day journey.

Delic, who fled Serb-held Doboj, was one of 800 refugees now billeted in the village's primary school. "I had to give them all my belongings and pay them 60 German marks (35 dollars)," he said.

Along with hundreds of others, he was taken Sunday in a Serb convoy to Turbe on the front line dividing Serb and mainly Moslem Bosnian forces, where trucks of the U.N. Protection Force (UNPROFOR) took over.

Refugees had previously been housed within Travnik, either with families, in empty flats or in a former college turned refugee centre.

But centre official Samija Kanafija said: "We have reached maximum capacity. And what's more it's not safe here. The Serbs are dropping shells nearly every day."

One struck the college late Saturday, he added, killing four and wounding about 23, including 10 seriously.

Several of the arriving refugees said they had been forced to dig trenches on the front lines by Serb forces.

Bosnian Army sources earlier said that 1,200 Moslems were being held by Serbs militiamen in the Doboj region and were being forced to work for them.

Some 60,000 refugees have converged on the Travnik region during the last two months, according to refugee centre estimates.

Most of its 26,000 Croats left when the Bosnian Army gained control of the town in June, but their places have been taken by thousands of Moslems fleeing Banja Luka and Doboj, which are in Serb hands, an unnamed town official said.

There appeared little hope that refugees now sheltering in the mountain villages can be ferried to Zenica, an industrial town of 145,000 inhabitants which is being swelled by its own daily influx of refugees fleeing south from Serb and Croat advances along the Zepce-Zavidovici front.

Moreover, the capture by Serb forces late Sunday of the key town of Trnovo put an end to Bosnian hopes of establishing a corridor linking Sarajevo with the besieged Moslem enclave of Gorazde in the east, a Bosnian Serb army spokesman said.

Reported Smuggling by Krajina, Bosnian Serbs

LD1207133593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1105 GMT 12 Jul 93

[Text] Banja Luka, 12 Jul (TANJUG)—Huge quantities of gasoline, oil, cigarettes, cooking oil, flour, and other goods have for a long time been smuggled from the Serb republic and the republic of Serb Krajina through the border crossing called Little Sentilj, situated between the municipalities of Vrgin Most, Slunj, and Vojnic [in the republic of Serb Krajina] and Velika Kladusa [a Muslim enclave].

In such illegal actions, according to today's GLAS SRPSKI of Banja Luka, war profiteers have gained enormous sums of foreign currency selling these goods at much higher prices than their real market value, while they have to give a portion of their gains to the police and soldiers who are securing the smuggling operations.

Many people have become rich in this way, particularly "businessmen" from the Serb republic and the republic of Serb Krajina. According to well-informed sources, at Little Sentilj a liter of oil can be bought for four to five German marks [DM], while a liter of petrol costs DM8.

Prices of cigarettes, flour, oil, and detergent are three times higher than usual. Thanks to their "painfully acquired wealth," the war profiteers will very soon be able to influence the government's decisionmaking, GLAS SRPSKI says.

The war profit, according to the same paper, has at the same time caused huge discord within Cazin Krajina, because two local groups, the Bihac and the Cazin groups, as well-informed sources have said, have started wrangling over who will be "in charge" of selling these goods.

The article also mentions Fikret Celebic, head of the public security center in Velika Kladusa, who is said to

have ordered "his men to sell a liter of oil for DM10, a liter of petrol for DM15, and a box of cigarettes for DM50."

Dissatisfied with this situation, Rasim Drekovic, commander of the fifth corps of the Muslim army of Bosnia-Herzegovina, ordered his police to take over this "job."

Many people have thus far been able to hear that the UN Protection Force [UNPROFOR] has been supplying Muslims in Cazin Krajina with the necessary goods, but GLAS SRPSKI claims that the main supply line goes via "Serb officials" who, as the paper says, find the sense of their struggle for Serb interests only in war profiteering.

Perhaps the security bodies of the Serb republic and the republic of Serb Krajina will eventually find the strength to stop these illegal and subversive actions, while the perpetrators should be put on trial, GLAS SRPSKI says in conclusion.

SDA Issues Statement on 3 Jul Incident in Sarajevo

AU1207204893 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 12 Jul 93

[Text] The initiators of last week's incident in Sarajevo must be aware of what consequences could have resulted from their unreasonable acts, says the statement by the Executive Committee of the Party of Democratic Action in Sarajevo, adding:

Is blood to be split between brothers so that the enemy can enjoy our suffering? It happened and is never to happen again. That means that the causes have to be removed, the existing misunderstandings solved immediately, and further incidents prevented from happening, as they undermine our unity and weaken the struggle against the aggressor. The fields of jurisdiction of the Bosnia-Herzegovina Army and the Ministry of Internal Affairs have to be clearly defined, and the joint coordinated effort on securing peace, protection, and safety of the citizens has to continue.

The military and civilian authorities have to help the fighters, particularly the successful brigades, and give them maximum support. We must not fall for the Kosovo-type provocations, the spreading of distrust, and the attempts at creating a rift within our [word indistinct]. We have a future for which we have to fight ourselves. Let us close ranks and turn our guns at the real enemy.

This is said in the statement by the Executive Committee of the Party of Democratic Action in Sarajevo.

Causes of War in Bosnia Examined

LD1307125593 Belgrade TANJUG in English 1042 GMT 13 Jul 93

[By Slobodan Puhalo]

[Text] Doboj, July 13 (TANJUG)—The war entered the former Yugoslav republic of Bosnia-Herzegovina via Bosanski Brod, a town on the republic's northern border with Croatia, in the spring of 1992. The first death squads came across a bridge called "brotherhood unity"—a name which symbolized the "permanent love" of the Yugoslav peoples.

It was 4:00 PM on March 26 last year when a group of 35 fully armed members of the Croatian guard and Croatian Defence Forces, headed by Ante Prkacic, a Croat from the neighbouring town of Slavonski Brod, the right hand of Dobrosav Paraga, the leader of a neo-fascist party in Croatia, entered Sijekovac, a village near Bosanski Brod.

They were joined by members of a special unit of local Moslems and Croats, who showed their brothers from Croatia the way to Serbian houses.

In the home of Jovo Zecevic, they found the women Stojanka Opacic, Marica Radanovic, Nedeljka Vasic, Miladinka Milosevic, Milka, Ljubica and Jelcca Zecevic and five children—Marinko Opacic, Dragan, Sasa and Zeljko Milosevic and Goran Zecevic—and the men Vido Radanovic, Sreto Milosevic and Jovo Zecevic's three sons Milan, Vasa and Petar.

They were all thrown out of the house, beaten with rifle-butts on their legs, arms, heads. Finally, fire was heard.

Zecevic's three sons were killed, as well as two other men and the boys Dragan and Zeljko Milosevic.

Jovo Zecevic and his wife Milka, whose three sons had been killed in front of their own eyes, were forced out of the garden. They were then met by member of the special unit Zelimir Kovacevic, a Moslem from Sijekovac, who first beat Jovo and then shot him dead.

The death-sowers killed Sreto Trifunovic in the garden next door and then went further on, plundering and torching 50 Serb homes. Sijekovac was on fire. Serbs were being chased all night.

Another 29 Serb civilans were killed in Sijekovac and seven women were raped, three of which were mutilated afterwards.

Members of the Bosnian Serb army liberated Bosanski Brod late last year.

"We have collected evidence for 67 people who commited war crimes in Brod. Among them are the perpetrators of the Sijekovac murders," said Branko Ristic, member of the commission for war crimes against civilians at the security centre in the nearby town of Doboj.

Ristic said "the list of war criminals and crimes committed in the municipality of Brod has not been completed. We are still working on it."

The bridge between the two towns has been destroyed, as well as the brotherhood-unity myth after which the bridge got its name.

Milka Zecevic now lives with her fourth son, Branislav, and his wife in the village of Smrtici, Bosnia.

Seks Suggests Measures for Safety of UN Convoys

LD1207171593 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 12 Jul 93

[Excerpts] Vladimir Seks, Croatian vice premier and chairman of the State Commission for the UN Protection Force [UNPROFOR], has sent a letter to General Jean Cot, commander of the UN forces, suggesting a solution for the safe passage for UNPROFOR vehicles on the roads.

Vice Premier Seks notes that armored and other UNPROFOR vehicles have recently been trying to move on roads of the Republic of Croatia in large columns without prior notification. Armored and other vehicles are armed with machine guns and other types of weapon in combat readiness, which is impermissible. Convoy commanders behave inappropriately, ignore road signs, and refuse to cooperate with the traffic police of the Republic of Croatia. [passage omitted]

It took only three days following our previous correspondence for another incident to occur, and the blame lies exclusively with UNPROFOR officials, who could not be bothered to announce the convoy's movement and to cooperate, as had been agreed, with relevant authorities of the government of the Republic of Croatia, Vladimir Seks, stresses. He lodged a sharp protest over everything that happened last week, especially over the behavior of UNPROFOR officials who obviously do not care for cooperation with representatives of the authorities of the Republic of Croatia.

In the areas of the Republic of Croatia outside the UN-protected zones, the laws of the Republic of Croatia must be observed, which are also valid for UNPROFOR members. We therefore demand that the UNPROFOR command submit a written request to the Croatian government's office for UNPROFOR and the EC observer mission asking for permission for the passage of each UNPROFOR convoy. The request must contain all necessary details including the point of departure, destination, the number of vehicles, the time of passage, and other details. The request must be submitted in good time—three days before the scheduled departure—in order for all the necessary measures to be completed and for permission to be sent to UNPROFOR.

The chairman of the State Commission for UNPROFOR goes on to write: We demand that all weapons on combat vehicles be put away as is obligatory for the movement of combat vehicles in road traffic. General Cot, you must issue an order concerning this to your units. We expect you to cooperate and solve these problems because our mutual task is to secure safe passage of UNPROFOR convoys on the roads and their arrival at their destination, in order to avoid traffic jams, the letter concludes.

Serb Shelling of Maslenica Reported

LD1207155893 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 12 Jul 93

[Excerpt] Following a relatively peaceful morning throughout the entire Zadar and Biograd area, the Serbs based in the temporarily occupied villages of Krusevo and Meka Draga opened artillery fire on Maslenica late this morning and early this afternoon. Chetniks fired around 20 howitzer shells on that area. The Croatian Army was forced to respond; it opened fire only on the enemy's military targets, after which the Serb artillery stopped attacking.

Around 1500 this afternoon, the Serbs based in Vuksic fired four mortar shells on Stankovci. Other parts of the Zadar battlefield, including Zadar and Biograd, have been peaceful today. [passage omitted]

Croats Step Up Attacks on Krajina Serbs

LD1207202893 Belgrade TANJUG Domestic Service in Serbo-Croatian 170? GMT 12 Jul 93

[Text] Knin, 12 Jul (TANJUG)—An infiltrating Croatian Army sabotage-terrorist group killed Dragan Lalic (born 1973) and seriously wounded Slobodan Lalic (born 1975) in the village of Cista Mala in the Skradin hinterland this morning, the main headquarters of the Serb army of Krajina announced today.

According to the same source, Croatian forces were active throughout the day on the northern Dalmatian front. They have been pounding villages in the Skradin hinterland and in the Novigrad direction of the front with mortar, tank, and cannon fire.

There was no peace on the Lika front either. Croatian forces today targeted Metak and Pocitelj near Gracac, while the village of Dabar in the Plasko sector of the Lika front was exposed to heavy shelling last night. Several houses have been reduced to ashes in the hamlet of Bobici. Wheat fields in the region have been set ablaze, some of the livestock killed, and agricultural machinery destroyed.

RSK Issues Appeal To Prevent New Aggression

LD1207172093 Belgrade TANJUG in English 1646 GMT 12 Jul 93

[Text] Belgrade, July 12 (TANJUG)—The Republic of Serb Krajina's Foreign Ministry on Monday [12 July] appealed on all diplomatic missions in Belgrade to propose to their governments to do all that is needed to prevent a new Croatian aggression against this Serb state, which is a United Nations Protected Area (UNPA).

The note of appeal also calls on the diplomatic missions to propose to their governments to force Croatian troops to withdraw from occupied territory in Serb Krajina.

The Republic of Serb Krajina (RSK) was proclaimed in 1991 in majority Serb populated parts of the former Yugoslav Republic of Croatia, in reply to its forcible secession from Yugoslavia. Last spring, the RSK was put under United Nations protection. On January 22, 1993, Croatia launched an offensive against the U.N. protected zones which is still underway.

Croatia has claimed the right to the RSK territory, but the people of Krajina assert that the RSK is a sovereign state established after the disintegration of ex-Yugoslavia.

At the Geneva talks conducted through international mediation in July, the note reminds, a delegation of Krajina proposed cooperation to Croatia in the reconstruction of the Maslenica Bridge and a gas and oil pipeline, in the repair of the hydroelectric plants at Obrovac and Peruca and a long-distance power and communications line, and also in the reopening of traffic lines through Slavonia and Knin, central Krajina.

In return, the Krajina people only demanded that the Croatian troops withdrew from the territories they had occupied in the above mentioned offensive.

"The Croatian side rejected our demand that the Krajina administration, as it was before the aggression, should be reestablished in these regions," the note says.

Despite the fact that the RSK territory is still under United Nations protection, a Croatian delegation informed the deputies of the cochairmen of the conference on former Yugoslavia, Geerd Ahrens and Knutt Valenberg that Croatia would begin the construction of a pontoon bridge on July 18 on the River Maslenica, seized in the January offensive, and it would not withdraw its army from the occupied territories in return.

"Having in mind that the bridge construction is planned to take place on the RSK territory, Croatia's intention is a new dangerous spreading of the war," it is said in conclusion of the note issued by the RSK Foreign Ministry to diplomatic missions in Belgrade.

Leaders View Results of Germany Visit

LD1207221293 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 12 Jul 93

[Excerpts] Croatian Prime Minister Nikica Valentic, Foreign Minister Mate Granic, and Chamber of Commerce President Mladen Vedris returned this evening from a one-day visit to Germany. They gave a brief statement to the press at Zagreb airport. Our reporter Andjelko Perincic was there.

[Perincic] We held extremely important talks in Germany with that country's businessmen, Prime Minister Valentic declared, adding that an inflow of foreign capital should be expected in Croatia after this.

Valentic gave a notable lecture in Frankfurt on the current economic situation in Croatia, which was attended by representatives of the most respectable German banks and enterprises.

While visiting the Frankfurt Stock Exchange, we discussed ways in which this esteemed institution could help us to set up a similar stock exchange in Zagreb, he added.

Assessing the visit as very successful, Valentic announced that visits to other large German business centers should follow.

Asked whether there was time for talks on specific economic arrangements, Prime Minister Valentic replied:

[begin recording] I personally talked with several directors general of the largest German corporations, and I think that we will have concrete investments in Croatia quite soon. [end recording]

[Perincic] Prime Minister Valentic went on to say that aid in energy supplies to Croatia was discussed with the representatives of the Rhine-Westphalia power stations.

German businessmen are primarily interested in Croatia's stand regarding capital and privatization, according to Chamber of Commerce President Mladen Vedris. However, the German economy's interest in investments in our country is below expectations due to the political situation in Croatia and its neighborhood. Expressing the wish that we resolve the crisis as soon as possible, certain businessmen announced the holding of preliminary talks with Croatian partners. [passage omitted]

[Perincic] Foreign Minister Dr Mate Granic met in Bonn with his colleague and host, Klaus Kinkel. There was a long, frank, and friendly talk on all major political issues, especially the situation in Bosnia-Herzegovina and the protected zones in Croatia, Minister Granic said. Our embassy expressed regret over the equalizing of Croatia's and Serbia's responsibility in article seven of the G-7's Tokyo Declaration. However, we lent support to the Tokyo Declaration's endeavors to boost free trade and the free flow of capital in the world. We agreed that the solution for Bosnia-Herzegovina should be sought on the basis of the London conference and that the three communities, the three peoples, should find the best, compromise solution themselves, with maximum pressure exerted on the aggressor, Serbia.

I told my collocutors, Minister Granic continued, that there has been no agreement between President Tudjman and Serbian President Slobodan Milosevic. On the other hand:

[begin Granic recording] Concerning the UN-protected zones, Germany firmly supports the territorial integrity of the Republic of Croatia and the stand that a resolution should be found in the peaceful integration of these zones. As far as the opening of the Maslenica bridge and Zemunik airport goes, I told him that this is in fact the implementation of resolution 847 and all other Security

Council resolutions, and that we are asking for the international community's support regarding the implementation of the latest resolution. [end recording]

[Perincic] Croatia has no intention of applying force at this moment, although Croatian towns along the Adriatic coast have been exposed to destruction for months, Granic added. Croatia is asking for firm support in order to resolve this situation. Granic also announced that meetings between the Croatian and German foreign ministers will continue and that Croatia will inform Germany before reaching any important decision, because Germany made an important contribution to the process of recognizing Croatia's independence.

Commentary Criticizes G-7 'Cynicism'

AU1207152193 Zagreb VJESNIK in Serbo-Croatian 10 Jul 93 p 1

[Commentary by Aleksandar Milosevic: "Bad Telephone Lines"]

[Text] The cynicism of the rich is equal only to the arrogance of the strong. The rich and the strong have held a conference in Tokyo so the Japanese capital has not been short of arrogance and cynicism. Most of it was contained in the part of the political declaration of the G-7 that concerned the situation in former Yugoslavia. Only the situation in Bosnia-Herzegovina is mentioned, while Serbia and Montenegro are depicted as the culprits in any future division of that country. Belgrade and Zagreb are threatened with sanctions, which only shows the vast political blindness of the international community and its inability to understand properly the complexity of the circumstances in the former Yugoslavia.

However, the surprising thing was the "bad telephone lines" that prevented the leaders of the world powers in Tokyo from conveying their views on Bosnia-Herzegovina to Owen and Stoltenberg in Belgrade. They were there discussing with Milosevic and Karadzic the organization of Bosnia-Herzegovina according to the Geneva agreement. Of course, this is the tripartite confederation of Bosnia-Herzegovina, which is what the Serbs and the Croats in the country want. Did Owen and Stoltenberg know what point seven of the G-7 Political Declaration in Tokyo would contain? Did Clinton, Miyazawa, and the rest of them know what Owen and Stoltenberg were talking about in Belgrade?

What gives them the right to put Croatia, which is itself a victim of aggression, into the same bag with Serbia? The answer to this and many other questions is simple—the rich and the strong, without any scruples and with lots of cynicism and arrogance, are trying to organize the world according to their own criteria, ruthlessly trampling over the principles on which international relations and law are based. At the same time, using the "bad telephone lines" method, they are using the fait accompli policy to present the world with the solution that exclusively suits them. They are forgetting that certain ethical, legal, and other principles are based on the grounds of universality and not the particular interests of the strong and the rich.

Commentary Views Effects of UN Resolution

AU1207103693 Zagreb VECERNJI LIST in Serbo-Croatian 3 Jul 93 p 2

[Commentary by Visnja Staresina: "Support for Political Negotiations"]

[Text] The UN Security Council opted for a compromise: it extended the UNPROFOR [United Nations Protection Force] mandate for another three months, as Butrus Butrus-Ghali suggested. However, respecting Croatian viewpoints presented in the letter from President Tudjman, it also obliged the Secretary General to make a report, after only one month, about progress in implementing the UN peace plan for Croatia and all relevant resolutions and, in view of that, to reconsider the UNPROFOR mandate in Croatia. Reconsidering the mandate would keep up the pressure on the rebel Serbs that the Security Council is able to exert with its available means: If the negotiations show no progress and if the Serbs keep rejecting the Security Council resolutions, resisting their implementation, there is a possibility that the UNPROFOR mandate is extended (which is less probable), or that the peacekeeping forces withdraw (which is a bit more probable), and which, again, does not suit the rebel Serbs at the moment. They are prepared to have the UNPROFOR stay indefinitely with present authorizations and present arrangement, which is understandable, because that would practically preserve their conquest in this war.

As far as Croatian sovereignty and territorial integrity is concerned, the resolution itself is the most definite one, announcing the concentration of political and diplomatic activities of the international community for solving the problem of Croatia and Bosnia-Herzegovina. It is formulated as a support to the negotiations which are supposed to be intensified next month.

However, it is unrealistic to expect that greater Serbian politics will surrender that easily before Resolution No.847. On the contrary, regarding its goals, nature, and even its organization and synchronization of activities, which should not be underestimated, we can expect that Serbian politics, in cooperation with its branch offices in Croatia and Bosnia-Herzegovina, will try to do everything to outwit this resolution and buy more time in which it would try to legalize the territory conquered in this war. Basic guidelines of their strategy are quite clear. First of all, they are trying to solve the Bosnia-Herzegovina issue (that is, divide Bosnia-Herzegovina and involve Croatia as a partner in this), thereby removing from themselves the label of aggressor (in which they were already fairly successful), and, on the level of politics, create a pattern that they will later on try to implement on Croatia, too. On the military level, they will simultaneously attempt to secure their positions

toward the unoccupied parts of Croatia, and, under such circumstances, request the changing of the Vance plan or its interpretation away from the direction suggested by previous resolutions, that is, they will demand the confederalization of Croatia.

What can Croatia do to prevent such plans? Croatia lost a lot with the failure of the Vance-Owen plan for Bosnia-Herzegovina, but, accepting the new reality, it must demand what is most favorable for itself, that is, the lesser evil. In this case, that means that Croatia should insist on preserving the spirit of the plan in constituting the three political communities (also advocated by the cochairman and the majority of the politically influential states), that is, that Bosnia-Herzegovina really remains a state and that its outer borders are not changed. In order to support such a view, Croatia may repeat its appeal to international forces to take effective control over the outer borders of Bosnia-Herzegovina, but also of Croatia's international borders, where they overlap with the boundaries of areas under UN protection. And there is no need to change the UNPROFOR mandate to achieve that, only to rearrange the existing forces and bring in new ones. Thirdly, it must insist that the problem of Bosnia-Herzegovina and Croatia be solved simultaneously. The cochairmen could also contribute to that by not allowing the representatives of local Serbian authorities, in negotiations with the Croatian government, to always return to the starting point, that is, to refer to their "krajina" state. Although solving the problem of Croatia and Bosnia-Herzegovina will, in the next couple of weeks, be the object of many political games, and Croatia may expect some of the influential countries (France, for example, as is obvious from the latest statements by the Minister of Foreign Affairs Juppe) not to be well-disposed toward Croatia, it has very little room for maneuver left to protect its interests: To join the prevailing political line in the international community, implementing their politics in an organized manner and avoiding Serbian traps. There are quite a few of them, but they are also quite clearly set.

Commentary on Tudjman-Milosevic Talks

93BA1191C Zagreb DANAS in Serbo-Croatian 25 Jun 93 p 18

[Article by Josip Jovic: "Should There Be Negotiation With Milosevic"]

[Text] Critics of Franjo Tudjman include among his greatest errors the meeting with Serbian President Milosevic at Karadjordjevo before the war began. Never, to be sure, has it been fully and clearly explained why this was a wrong move. The argument usually made is that Milosevic was shaky in his "fatherland" at that time and that the meeting helped him to consolidate his position. As if, for instance, if Tudjman were shaky in our country and Clinton met with him and he became stronger again. Who could have thought that even then Tudjman was such an authority with the Serbs that he could save a Milosevic?

So, if it had not been for that meeting, Milosevic would have fallen like a ripe pear and there would have been no war, and Croatia would have become a free country without casualties. I really do not know what is the matter with those Serbs now. Tudjman has not met with Milosevic for nearly three years, he gave him a chance to change his government, they even had Cosic and Panic to choose, they even had democratic elections, and they still have come up short.

Nevertheless, I believe it was the other way around. That meeting at Karadjordjevo was actually the right moment to agree on things and resolve the problems in advance. Had there been enough intelligence and if there had not been unrealistic ambition, a political solution could have been found at that time, in fact, by all appearances, precisely that political solution that will now be found after the war. This disastrous war, then, has been altogether unnecessary. However, as is well-known, war is stronger than reason.

And now that Milosevic and Tudjman have met again in Geneva, and they have jointly asserted that progress has been made, we again recall Karadjordjevo and again the same objection—to the effect that neither then nor now should we have negotiated with the enemy. That is the thinking, for example, of Ivica Racan. I acknowledge a certain logic in those who say that they are not in favor of any negotiations with the Serbs, but only and exclusively for war. But the president of the SDP [Social Democratic Party] has a different philosophy. He does not favor the war option, because after a new war, in view of the second front with the aggressor and his fanaticism, Croatia could find itself in a still worse situation. That war would be a total war and a direct conflict with Belgrade, not with "Krajina." Racan, then, is not in favor of war, but is in favor of negotiations. So far, so good. But "there is nothing for us to negotiate with Milosevic, in doing so we acknowledge that he is our partner," Racan says. The premise of the anarcholiberal leader of the Social Democrats that sprang up from the healthy core of the communist movement is quite all right, but the conclusion is not right even in formal terms. If negotiations are an alternative to war, then the alternative to a war with Belgrade is again negotiations with Belgrade.

A boycott of negotiations with Belgrade might have quite strong support in pride or in spite. But these are again categories which do not really fall in the domain of political behavior and reasoning, categories to which those who make decisions about numerous human destiny simply are not entitled to.

Let us assert it once again: If we do not want continuation or resumption of war on a still more serious scale and with still graver consequences, we must attempt to find a political agreement. With whom are we to negotiate? Racan responds with the rhetorical question: "Are we to negotiate with the Milosevic regime and have the illusion that we will resolve this bloody Balkan drama with such negotiations?" Yes, precisely with Milosevic's

regime, and the reason is that he is the main adversary, the only real force and real authority in Belgrade, and indeed even with "Serbs everywhere."

Who are the other possible negotiators? Vuk Draskovic, who is in prison, or Bogdan Bogdanovic, who does not dare to show his face in Belgrade, or Milan Djukic, who cannot even get close to Donji Lapac, or Dusan Dragosavac, who a few days ago let the world know that he is still alive, or Goran Hadzic and other "ministers" and "presidents," who have their second seat of government, again in Belgrade? Of course, it is necessary to talk and negotiate with each of those enumerated. Everyone can make some contribution to ultimate peace, but it is an illusion to think that any of them can seriously do anything without the main man.

Are we to negotiate (solely) with the international community, which has shown total paralysis, not because of incompetence, but because of disunity, and which itself has decided to assume the role of witness instead of initiator? After all, even the Tudjman-Milosevic meeting did not occur without the prior knowledge and agreement of the great powers. The great powers themselves have been unable to correct their own proposals and so have apparently left that to the parties to the conflict. Are we to rely on Izetbegovic, who gambled away his confidence with unprecedented lack of gratitude and treachery? If it had not been for the scandalous meetings between Boban [president of the Croatian Community of Herceg-Bosna] and Karadzic [president of the Serb republic of Bosnia-Herzegovina], the question is how some 20,000 Croats would have gotten out of central Bosnia, because they had to cross Serbian territory? The question is whether we would have heard the propaganda dialogue which the woman journalist of Serbian television had with an unhappy old woman? "Who saved you, grandma?" the journalist asked. And the old lady replied: "Why you Chetniks, daughter, who else!"

The other question is whether we can expect something more from Milosevic in Geneva than from Milosevic in Karadjordjevo, especially with respect to giving up territorial claims to Croatia. The wolf changes his coat, but not his nature. That is the truth. Nevertheless, something else has changed: The forest changed, the leaves fell. At that time, the Serbs were still dreaming about the Virovitica-Karlovac-Karlobag line. At that time, Croatia still did not have international recognition. Serbia was not under the insupportable burden of sanctions and was still thirsty, not tired of war. After getting a federal unit in Bosnia, the Serbs can say that they have not waged war in vain. Are the signals not sufficiently clear when even Karadzic is telling Knin that it must negotiate with Zagreb, or when Biljana Plavsic, in spite of the referendum, says that there will be no merger of "Krajina" with Serbian Bosnia? The fear that Croatia could make certain territorial concessions aside from those in the Sava Valley of Bosnia is groundless. Perhaps that could have been negotiated in Karadjordjevo; it can no longer be negotiated in Geneva. After so many pledges and casualties on every inch of the homeland, who would dare even think such a thing?

Rejection of Restoration of Yugoslavia

LD0807172393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1438 GMT 8 Jul 93

[Text] Ljubljana, 8 Jul (TANJUG)—In Ljubljana today, the presidents of Slovenia and Macedonia—Milan Kucan and Kiro Gligorov respectively—rejected any possibility of the institutional revival of former Yugoslavia, which, as they said, is being mentioned with increasing frequency in international political circles.

Kucan and Gligorov declared at a news conference that there are no economic, political, or moral reasons for new integrations between the former Yugoslav republics. They also vehemently opposed the division of former Bosnia-Herzegovina because, as they said, this will spell the destabilization of Europe and will endanger the new Slovene and Macedonian states.

The Macedonian president has been on a two-day official visit to Slovenia. He met top-ranking Slovene officials in Ljubljana and opened the Macedonian embassy in Slovenia, where there are some 8,000 Macedonians—most of them Slovene citizens.

Kucan Rules Out Revival

AU1207130093 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 11 Jul 93

[Irena Majce report from Dobova]

[Excerpts] The Slovene state is indebted to the exiles, stolen children, forcibly mobilized men, and many others—regarding their legal position and protection as well as regarding compensation. The government and the State Chamber have finally started to deal with these issues more actively. It is now only up to ourselves and our will to recognize what is definitely the truth. As in Brestanica near Krsko two years ago, when for the first time he publicly politically recognized the exiles, [Slovene President] Milan Kucan restored hope with these words to many people who have been waiting for decades to be compensated for the war damage and rehabilitated. [passage omitted]

The Slovene exiles have shown that our nation, although small, cannot be destroyed and that we will not allow anyone to bargain with our fate now either, President Kucan stressed, and added that for this reason there is no foundation for all the speculation and rumors about the restoration of Yugoslavia and that certain people within the top Slovene political leadership are thinking of placing the Slovenes within such an artificial state foundation:

[Begin Kucan recording] After all that has happened, after the misuse of the hope invested in this country at its creation, after the brutal trampling of the equality of nations that created this country, and after the extremely brutal manner of its disintegration, there are no longer any political, economic, or moral reasons and possibilities for its restoration. Equally, there are no possibilities for the cooperation with the policy that has committed a barbaric and inhumane act and now even hopes—because of the incompetence and mistakes of international diplomacy and the contradicting interests of the most important European countries—to be rewarded for the tragedy and violence it has caused.

The debate about the reconstruction of such a state, which is without realistic basis—be it plotting abroad or domestic rumors—is speculative and harmful, also because it diverts attention from the real problems that concern the life of the people in our country. [end recording]

It is in our interest to have regulated and good relations with all our neighbors, and this also applies to Croatia. At the end of the day, the coordinated approach of Slovenia and Croatia contributed considerably toward the successful defense against the nationalist and hegemonic tendencies of Belgrade policy. It is in the two countries' vital interests to prove their ability and readiness to regulate their relations in a patient, peaceful, and democratic way.

So far we have shown a lot of understanding for the problems that Croatia is facing. Justifiably, we expect the same from our neighbors. The forthcoming meeting of the government delegations in Ljubljana will prove or rebuff such expectations, President Kucan said at today's meeting of the exiles in Dobova.

Background on Resignation of Secret Service Chief

93BA1173A Ljubljana DELO in Slovene 18 Jun 93 p 2

[Article by Vinko Vasle: "A Resignation That Is Not Just a Protest by a Bitter Official"]

[Text] *With Sirse's appointment to the position of head of VIS [Security-Information Service], the "liberal" form of party-family personnel policy was expressed; HIT, VIS, tourism....*

Ljubljana, 17 Jun—The Sirse case certainly has several aspects. It not only indicates the role of political lobbying, which conceals extremely specific and also selfish interests, but also points out a whole complex of actions in politics (in parliament, the government, and individual parties), which are extremely risky. Sirse's resignation consequently cannot be a protest by a bitter official, who could be crowned with the concept of injured innocence.

In fact, there were enough reasons for Prime Minister Dr. Janez Drnovsek to have already dismissed the new head of the Slovene VIS some time ago, but he (also because of the internal party situation and relationships) permitted an elegant solution, i.e., a resignation with the explanation left up to the resigner. There were already a lot of questions upon Dr. Miha Brejc's replacement for

which there were no real answers, and the prime minister's choice for the head of the VIS justifiably met with numerous criticisms and even direct objections.

With Sirse's appointment as head of VIS, the personnel policy of the largest (and strongest) ruling party also said too much about the authorities' personnel elitism, and especially about the very "liberal" form of the party's family personnel policy at that time. Sirse, in fact, was a public surprise, especially since he did not have any references for security and intelligence work. When the hints about reasons of one kind or another for Brejc's replacement were added to that, and Drnovsek kept silent, everything indicated that the new coalition was settling political scores with former VIS head Brejc. Later events strongly confirmed the thesis that the VIS scandal was actually a government scandal.

The original sin in the Sirse case was thus Sirse's very appointment in quite mysterious circumstances, which were then also followed by justifiable criticisms of the "political party" personnel choice and at least of Drnovsek's unique personnel action. Soon afterward, when VIS moved from the Ministry of Internal Affairs to the government's jurisdiction and became a government service and a sort of intelligence "service" for it, its head was a person who for many years was Janez Drnovsek's closest associate—from his Belgrade presidential office, through the Pharos fund, to his first government and VIS. In its own way this demonstrated a sort of friendly nepotism.

When the HIT scandal erupted, Janez Sirse's name soon surfaced as well. When Dr. Miha Brejc had to explain in front of the parliamentary commission for oversight over the work of security and intelligence services why he had not turned the HIT dossier over to his successor, Sirse, he said among other things that he did not trust him. It soon leaked from behind the commission's closed doors that Brejc was nevertheless more eloquent. At the commission's second meeting, on 23 April, he said, among other things:

"When M.A. Sirse was appointed head of VIS, I decided not to hand that material over to him, since his friendship and cooperation with Kovacic were generally known." At that meeting Brejc also mentioned the Vista enterprise, of which Sirse is one of the co-owners, saying that HIT had forwarded some money to him through that enterprise. The recording of a telephone conversation between Darko Makuc (HIT's financial director) and Dusan Luin, who heads one of HIT's enterprises in Gorica, is also supposed to show that. Particularly incriminating was the statement that some money was supposed to have gone directly "to the minister." At that time Brejc also said that it was only a question of the amounts and that VIS still wanted to check it, but the replacement in its leadership happened first.

The other document that incriminates Janez Sirse talks about planned personnel policy in Drnovsek's second (this year's) government. It has to do with personnel lobbying among HIT director Danilo Kovacic, Zorko Debeljak (Kovacic's adviser), and Sirse. That was already while the new government was being put together. At the time when Sirse was minister of tourism, his already more than just official ties with Kovacic (and also managers at the Portoroz Casino) were known. Of course, with respect to the HIT scandal the fact that as minister of tourism Sirse publicly supported a concept of privatizing Slovene casinos that was extremely similar to the one that Danilo Kovacic was lobbying for among the deputies also became compromising. Furthermore, HIT was among the sponsors of an international conference on the strategy for Slovene tourism that was prepared by Sirse's Tourism Ministry, and it also sponsored a book entitled *Strategy for the Development of Slovene Tourism*—one of the authors was Janez Sirse, and the booklet's graphic design was by the minister's wife.

All this should have been enough for Drnovsek's "preventive" replacement of Sirse, thus protecting his credibility and especially the VIS's interests. Instead of this, however, even during the key phase of the VIS scandal Janez Sirse was conducting an internal investigation against Dr. Miha Brejc, just as Miha Kozinc is still heading a government commission that is investigating Brejc's past.

Bugging of Church Officials Revealed

93BA1163K Ljubljana DNEVNIK in Slovene 17 Jun 93 p 3

[Article by Ranka Ivelja: "The Lightning Revealed Wires in the Wall"]

[Text] *The church finally (at least approximately) knows where it was being bugged; Dr. Sustar: "I have already gotten used to a telephone that still rings every morning...."*

Ljubljana, 17 Jun—Did the previous regime's services bug the Slovene church? Up until recently, in spite of numerous polemics and publicly asked questions, there was no formal, specific answer to this question from the authorities, with names, districts.... On 16 April 1993, however, quite quietly—the public did not learn anything about it that day—the chief of the Security-Information Service [VIS], Janez Sirse, in the first visit by any security chief to the archdiocese offices, brought Slovene Metropolitan and Archbishop Dr. Suster a list of the districts in Slovenia where bugs had been planted in the past.

According to that list, in the past one or more bugs, wired or wireless, were planted in eight districts in Slovenia—in the offices of the Ljubljana Theology School, the Ljubljana diocese, the rectory in Dravlje, the interdiocese ordinary's office (probably the Archdiocese ordinary's office), the offices of the Maribor diocese, the monastery in Kostanjevica, the rectory in Kranj, and the rectory near Slovenj Gradec. According to the list, the bugs are of varying age and in varying condition. Some of them are no longer working, because they are worn

out, and others are still usable. Some of them could be found and removed without major difficulties, but for others the process is complicated and the result uncertain. That was approximately the content of the document (if we can call it that) which Sirse handed to Dr. Sustar.

Archbishop Dr. Sustar does not like to talk about bugging devices and eavesdropping on the church, much less the above-mentioned list, which we found out about from other sources, because, as he said, with all the scandals that were heating up the Slovene political atmosphere he did not to pour more oil on the fire himself. The church has never officially asked for that list or for official information on which church figures were bugged, when, and how under the previous regime, and according to the archbishop, the church archives do not hold any incriminating materials of this kind. It is interesting that more than 10 years ago Dr. Sustar was offered a very expensive device from abroad for detecting bugging devices, but he refused it.

Dr. Sustar does not have any evidence that he was bugged in the offices of the archdiocese ordinary's office. He says that he has already gotten used to the fact that the telephone still rings regularly every morning between 7 and 8 AM, when he is in those offices, and then there is no one on the other end: "I do not have and have never had anything to hide, so I did not agonize too much over the alleged bugging. In talks with foreigners I was only a little more careful, so that it would not be possible to 'misunderstand' anything." Now that a state representative has revealed himself that there are bugs and where they are, the archbishop naturally wants to have them removed as soon as possible. As we were told by Janez Sirse, the VIS is prepared to do so, as he also proposed during his visit to Dr. Sustar. Both sides still have to agree on how the complicated technical and other procedures necessary for this will be carried out.

In the past, cases of bugging in church institutions were discovered more by chance. Wired bugging devices, for instance, were discovered in renovating the offices of the Ljubljana parish priest. As Ljerka Bizilj writes in the book *The Church in the Police Archives,* they were also found in the Vipava seminary and the reception room of Gorica administrator Dr. Toros, i.e., in districts not mentioned in the list. That also applies to the Mlakar villa at Bled, where Dr. Sustar and other church dignitaries went for vacation. The bugging devices in the villa were revealed (literally) by lightning—the wires could be seen in the walls. At that time (in 1980), employees of the internal affairs authorities promised that they would inform the church of the results of an investigation, but the church has still not found out anything about it to this very day.

Dr. Janez Sirse also thinks that the list is quite probably not complete. In past decades, bugs were planted by members of different services, "civilian" and military; for some bugs, there are detailed and accurate reports on who planted them, where, and when, but for others, there are only "verbal reports" from employees of those services at that time, many of whom are no longer available. It is thus quite possible that there are no documents on some bugs, and thus no possibility of firm assurances that they are no longer working and that no one is already controlling and manipulating them.

Sirse's visit to Dr. Sustar also raises several other misgivings. The first question that can be asked about this event, of course, is why the (democratic) authorities did not see fit to deliver this "document" even earlier, and thus at least symbolically "confess the sin" of the previous regime. Likewise, the intentions and subintentions that led the Slovene state and its representative to do it right now are not clear. Whether the VIS head's visit was official or unofficial, the lack of media coverage is strange—for which the media should not be blamed, of course. Even stranger is the paper itself that Sirse brought to Dr. Sustar. Specifically, on two typed pages one cannot find either an official's signature or the name of an institution that prepared the list, or a stamp that would confirm that it is an official document. In short, there is no visible proof on the papers that the document is authentic.

This does not seem strange at all to M.A. Janez Sirse. When the list, which according to him already existed during his predecessor's time—although the latter, as he says, did not deliver it—came into his hands, it simply "seemed right" to him to visit Dr. Sustar and give him the list, in the spirit of democracy and good relations with the church (at his personal initiative).

The possibility that the visit was also motivated by (everyday) politics, in view of the situation with the current scandals, is not completely improbable, of course. And if the state only "corrected" the sin from the past because of political calculations? So much the worse for it.

Economics Minister on Marketing Products

93BA1163C Ljubljana DELO in Slovene 15 Jun 93 p 5

[Interview with Minister of Economic Activities Maks Tajnikar by Mija Repovz; place and date not given: "'Made in Slovenia' Has No Prospects"]

[Text] [Repovz] For a long time, we were proud about Slovene industry's exports to Western markets. Then came the collapse of the Yugoslav market, and even those enterprises which had not sold to Western markets so far had to start seeking buyers there. How did it turn out? Was our pride justified or not?

[Tajnikar] The sudden withdrawal from the Yugoslav markets showed that the economy was also capable of selling in the West. Finally, last year we also had a $47 million surplus in our foreign trade balance, which was a considerable surprise. It is particularly interesting that the enterprises that sold the most in the Yugoslav market are now the ones that are selling the most in the West. That means that they already had business relations

established earlier. The same thing applies to the enterprises that used to sell in Eastern Europe. Of course, many enterprises also encountered difficulties. Some of them could not sell the West the lower-quality products that the Yugoslav market had snapped up anyway, and others did not have any business relationships at all before then in demanding markets. Many enterprises adjusted rapidly to the new situation, and many were not able to. Many of the so-called parade horses already neglected development previously, and simply do not have anything to offer. That is the reason for the kind of shock that we have already been observing for a year.

[Repovz] It is well-known that the enterprises that have focused on Western markets cannot break through into higher price categories. How much is it because of the products' quality per se, and how much is it because they cannot handle the marketing approach in those markets?

[Tajnikar] The situation varies a great deal. Some enterprises, for instance Elan, which has an established trademark, are selling their products at the highest prices. It already achieved that level earlier, but there are, so to speak, no new enterprises that have established themselves that way in recent years. Others, for instance producers of household appliances and some enterprises in the machinery area, are achieving relatively high prices, although they are not appearing under their own trademark. Many of them are having difficulties with prices because of the recession that is prevailing in the world market in certain sectors, for example in the paper industry, the iron industry, and aluminum production. It is thus not the poor quality of their products that is to blame. Many enterprises simply do not have money. When they cleared up their debts they were so depleted financially that they do not have enough money to finance production or the loans that buyers expect in some transactions. And since they do not have access to banks in the world market, and domestic ones are also avoiding them because the healthy parts of the banking system are afraid of risk, they cannot even attempt sales in a foreign market. It was precisely for that purpose, i.e., financing production, that the Ministry of Industrial Activities allocated 10 billion tolars in guarantees this year.

[Repovz] When you spoke about established trademarks, you mentioned only one, Elan. Is that really the only one we have?

[Tajnikar] I am not exactly an expert on trademarks. In official trips abroad, however, you quickly determine that there are only two or three trademarks here that also mean something in the world. In America, I kept running into people who were familiar with Elan and Iskra, and it was very awkward when it was necessary to explain the kind of difficulties that Elan was in, whereas with respect to Iskra, in view of what has been happening with it, I was no longer convinced that it even still existed as a system. Because of such experiences, I am also convinced that our state will not establish itself in the world through the label "Made in Slovenia," since in economic terms that means too little. That task will be performed better by the large enterprises that have collapsed here—partly because of market reasons, and partly because of the state's activity along these lines. In the newly industrialized countries as well, in addition to small enterprises they also have extremely large multinational firms, and their products also promote an image of the country.

[Repovz] In production, Slovene enterprises were oriented toward tonnage for a long time. Marketing and sales were in the background, even at an enterprise like Iskra.

[Tajnikar] That technological orientation was a characteristic of small enterprises as well as large ones. Even those craftsmen who earned a very good profit were successful primarily because they knew the technology. That was the case partly because of the excessive focus on the Yugoslav and eastern market, where any particular marketing approach was not even necessary because of the hunger for products. On the other hand, sales to the West took place primarily through large enterprises, so there was no need for small ones to deal with it. An analysis of the best Slovene enterprises that was prepared a while ago by the AT & Karney company mentioned as a particular weakness of our management personnel the fact that they did not know how to fight for a deal, and in fact tried to make sales relatively comfortably. It is different in the West. The competition for business, for a new customer, is a competition to the last breath. The recent analysis of the Ironworks' rehabilitation also showed that the rehabilitation program was not making progress because the Ironworks was not mastering marketing and actually did not even know how to sell. Our managers certainly have too little marketing knowledge, and not only that. The same thing applies to financial and organizational knowledge, which is what adaptation to the customer's desires is based on in the world now.

In any case, it seems to me that marketing will have to become much more important in the public sector as well. In the energy area, for example, the problem of nuclear waste should also be handled by marketing methods. In seeking an area to store nuclear waste, it is not just a question of whether the composition of the soil is right, but also of the way in which the whole problem is presented. The state would certainly have to deal with this. I myself also want very much for part of the electrical industry—production and distribution—to be privatized. If that happens, a marketing approach will also have to be used in that case. We still know much less about the use of marketing in these areas than elsewhere. Marketing will spread and be established even in areas where for the time being it is completely ruled out, so to speak. Wherever market laws are being established, a marketing approach has to be established as well. That will be another big challenge for us.

[Repovz] The difficulty is that managers have never studied it during their regular studies. As a lecturer at the Ljubljana Economic School, you will probably be able to confirm that.

[Tajnikar] Both Slovene economic schools have always had marketing classes as well. It is true, though, that there was less emphasis on marketing than there is now.

[Repovz] There is a special school in Vienna for marketing.

[Tajnikar] It is probably not a school, but rather a business school. I am convinced that after the reorganization, some business schools will also be detached from the schools here. In any case, it seems to me that marketing is not any sort of special science, but rather an art. I also think that in the West, which we cite so frequently, people educate themselves a great deal. That particularly applies to small enterprises. People in so-called small business buy books for themselves that talk about how to analyze the market, and how to present one's product. It seems to me that there is still too little self-education here. The more competition is strengthened, however, the more people will realize that small enterprises also urgently need such knowledge. The fact that they are aware of the necessity of a marketing approach is also shown by their advertisements on television. Small enterprises are also providing more and more of them.

[Repovz] We in Slovenia will probably also have to reconcile ourselves to the fact that in the conditions of a so-called global economy, we will not have very many trademarks of our own.

[Tajnikar] That is true. I recently heard that in Austria all the products not being sold through multinational firms were being sold at a third of the price or even less. Integration into world capital is increasingly in the foreground. As the Austrian example indicates, the development of trademarks for every product is impractical and absurd. We also have to be aware that the amounts that Slovene factories are capable of producing are so small that we cannot satisfy large markets with them. In Boston, I heard a lecturer talk about our enterprises' actions in the American market. In this regard he mentioned Fructal, which decided to export its juice, which was also excellent in the lecturer's opinion. Since it marketed it in a very broad area, since it obviously did not have large enough capacities, there was a shortage of it very quickly. In such cases enterprises that do not have large enough capacities will have to decide on sales in geographically limited areas. Another important element is adaptation to markets. Radenska also started to export to America, but unfortunately its bottles were not adapted to the standards of American display shelves. The solution would probably have been for several Slovene enterprises to rent display shelves in individual American supermarkets, on which they would sell their products. It is necessary to adapt to conditions in the market in every way possible.

[Repovz] You said that you did not believe too much in promoting the state through the label "Made in Slovenia." Are the criticisms that the government is not doing enough to promote Slovenia, and that it is also spending the funds irrationally by scattering them among five ministries, also unjustified, in your opinion?

[Tajnikar] It would be very difficult to speak that categorically about this. The criticisms are partly true, and we in the government are making an effort to achieve more coordination in this promotion. There is also not as much money for this promotion as people usually think. There are only two big items now, for economic and tourist promotion. I myself am convinced that we do not need any sort of abstract promotion, but should instead develop several activities leading to specific projects. In this regard, we have to treat large and small enterprises differently. The former do not need much assistance from the state to reach the world market, since they have enough money and trained people themselves. The state has to make restructuring easier for large enterprises, however. Small enterprises, which sold barely 7.7 percent of total exports abroad last year, however, should be assisted in access to the world market, both by establishing contacts and financially. That is why we are planning to establish a trade center that would give an entrepreneur information and also take care of a connection with appropriate world networks.

[Repovz] Recently a chamber of advertisers was established here, i.e., the people who can make a significant contribution to promoting our products. How do you view that association's role yourself?

[Tajnikar] A professional organization can increase expertise and the exchange of experiences. I myself believe primarily in competition, which is also healthiest and most productive in this area. It always seemed to me that in marketing, talent was also important in addition to knowledge and routine. It is characteristic that in this area as well, it is primarily small enterprises with a highly decentralized structure that have promoted themselves and achieved the most reputation in the world.

Federal

Commentary Views G-7 Summit, Other Events

AU1007205593 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 10 Jul 93

[Stevan Grubac commentary]

[Text] Even though the world does not revolve around us, we are still mostly interested in the things that are in any way connected with the overall crisis in the former Yugoslavia.

On Tuesday [6 July] it was finally said in Moscow that there were great differences in the approach to problems between Russia and the United States. Andrei Kozyrev, albeit unwillingly and with great problems—using all his diplomatic skills—admitted that these differences existed. Although our problem was not mentioned explicitly, it is impossible that it was not implied.

Tokyo was the political and media center of the world last week. Seven leaders of the seven most developed countries of the West gathered on Wednesday [7 July] for their regular annual summit. Despite the very, very important economic issues, even this occasion could not pass without talks on the crisis in Bosnia. They said immediately that all the three sides in Bosnia should agree as soon as possible to halt hostilities. Then the resolution followed. The essence of the resolution remained at the level of the initial statement, where it was once again reiterated that Bosnia's borders should not be changed without the consent of all three sides. This could be translated into a suggestion aimed at the Serbs and the Croats not to feel triumphant, and to take care of the Muslims' interests. Parallel with these attitudes, and even more precise ones by Lord Owen and Thorvald Stoltenberg expressed in Europe, there was the surprising reconciliatory statement by Alija Izetbegovic, that is, his acceptance of Bosnia as a confederation. However, a dissonant statement by German Chancellor Kohl concerning the Tokyo resolution, which could be seen as special support for the Muslims, was enough for the Muslim leader to practically deny on Friday [9 July] the things he himself said two days earlier. Now he is for a federation, but not along ethnic lines. This shows that Germany still feels powerful enough to launch political initiatives unilaterally, and on this occasion it seems that it was building a bridge toward those Muslim countries that support Izetbegovic.

This side [bocna] help to Alija Izetbegovic, despite the fact that there have been bloody clashes among the ranks of his own soldiers because of the two lines, as was the case in Sarajevo and Travnik recently, could be in the coming period the main obstacle to the peace negotiations.

After their visit to Zagreb, where they held talks with Tudjman and Boban, Lord Owen and Thorvald Stoltenberg arrived in Belgrade on Thursday [8 July]. After being received by President Zoran Lilic of Yugoslavia, they held long talks with President Slobodan Milosevic of Serbia. The president of Serbia could tell them on that occasion that the final solution for Bosnia was very close. There is no doubt, President Milosevic said, that a realistic approach to the future confederation of three republics has been adopted. The maps remain the main problem. That problem can be solved in the best way if the approach we have been supporting from the start is accepted—that the interests of all three sides are protected. Listening to this statement, cochairmen Owen and Stoltenberg did not show any sign of disagreeing with it. Dr. Radovan Karadzic, president of the Serbian republic, who took part in the talks, stressed that the interests of the Bosnian Muslims cannot and will not be neglected. It is completely clear now that the cochairmen will have the biggest trouble not with the Bosnian Muslims in general, but Alija Izetbegovic and his option, particularly as he will not be travelling with the Muslim Presidency to Geneva for the resumption of the talks.

This week once again showed that negotiations between the republic of Serbian Krajina and Croatia in Geneva are not moving anywhere from the well-known, almost dug in positions, although the only progress, according to Slobodan Jarcevic, foreign minister of the republic of Serbian Krajina, has been made in a change of the treatment of the republic of Serbian Krajina for the better. The republic of Serbian Krajina is no longer at the level of an ethnic minority but, in the political sense, it is at the same level with Croatia in the negotiating process, technically speaking. Of course, such shifts are not unimportant in politics.

And while some of our intellectuals, who have fled to the West of their own will, are still continuing to hide the truth about their own people, some foreign intellectuals are doing all they can to make sure the truth about the former Yugoslavia reach the eyes and ears of the international public.

Two books were promoted on Wednesday in Paris, books that are in fact fighting for a new, more precise and complete view of our situation. Daniel Schiffer and (?Bernard Botson) are the authors of these books. Europe has made a mistake in the political, historical, and philosophical approach to the problem in the former Yugoslavia, Daniel Schiffer says. Germany and the Vatican are particularly responsible, Botson says. Will the politicians find the strength to admit to these mistakes, he asks.

The Russian academician (?Volubuyev) wrote for the Moscow PRAVDA, stressing that the Serbs are entitled to self-determination, and added that Moscow should launch the initiative for the lifting of the sanctions.

At the start of the week, one program on German Television astounded the German public. That program said that the Croatian hatred of the Serbs was a thousand years old, and that Croatia had now returned to its dark fascist past. It was stressed that the Serbs in Croatia were persecuted and that they had no rights. So things have

come to a pretty pass when even the Germans are defending the Serbs from the Croats.

But all this seems to mean nothing to those intellectuals of ours who have left for Europe of their own free will and, acting the role of European gentlemen, are slinging mud at their people and their country, instead of, for example, raising their voice against the unprecedented and inhuman sanctions.

G-7 Summit Assessed

AU0907170693 Belgrade Radio Beograd Network in Serbo-Croatian 1454 GMT 9 Jul 93

[Dragan Milenkovic commentary]

[Text] The summit of the seven most developed countries ended today in Tokyo with the meeting between the Western leaders and Russian President Yeltsin at which Russia was granted help for the privatization of the economy amounting to $3 billion. After three days of work, the leaders today issued an economic declaration in which they pointed out the main problems that the world economy is facing.

Western leaders yesterday issued a political declaration in which they demanded from the warring sides in Bosnia to reach an agreement and put a stop to the conflict in the former Yugoslav republic. Despite a heated discussion, the final text of the declaration shows that the West has finally given up the military option in Bosnia and for the first time taken a stand toward the three warring sides as equal participants in a civil war.

The leaders of Great Britain, France, Germany, Italy, the United States, Canada, and Japan demonstrated the widest differences and indecision in their approach to the world problems, which indicates the increasingly diminishing energy of the West to create the new world order.

With its decisions to retain the sanctions and threaten both Serbs and Croats, the West demonstrated, however, that it will not give up the policy of pressure against the weaker for some time.

Russian President Yeltsin received only $3 billion for the privatization of state enterprises and recovering the economy. Out of this amount, only $500 million is real help. The rest of the money represents the usual loans from the World Bank. The only thing left of the package of $42 billion for Russia announced in April is the appeal to the international and Russian institutions to facilitate its realization. The bulk of it, as has been the case with earlier Western packages, will probably never be realized.

Flight Controllers Striking Over Military Flights

LD1207214593 Belgrade TANJUG Domestic Service in Serbo-Croatian 1405 GMT 12 Jul 93

[Text] Belgrade, 12 Jul (TANJUG)—The strike committee of the independent trade union of the flight controllers of Yugoslavia (SSKL) said at a news conference today that from 0600 [0400 GMT] tomorrow they would not direct domestic commercial flights which had been registered as military flights.

The Yugoslav Air Transport [JAT] and the Air Force command signed an agreement on 10 July declaring commercial flights as military, members of the strike committee said [sentence as received].

Danilo Sreckovic, a committee member, stressed that the act of declaring domestic commercial flights as military was a serious violation of the Law on the Army of Yugoslavia.

If it is true that since last Saturday, passengers on domestic flights and on JAT planes have been flying in planes with the Air Force insignia near the no-fly zone over the territory of the former Bosnia-Herzegovina, which is under NATO control—it is clear what kind of danger this represents, said Vladimir Bubalo [not further identified].

Safety Breaches Denied

LD1207222193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1306 GMT 12 Jul 93

[Excerpts] Belgrade, 12 Jul (TANJUG)—Yugoslav flight controllers must safeguard all flights of military and state planes, and all humanitarian and UNPROFOR [UN Protection Force] flights, Branko Bilbija, director of the Federal Flight Control Administration, told TANJUG today, following the latest stance by the strike committee of the Yugoslav flight controllers trade union, whereby from tomorrow they will not direct domestic commercial flights that have been declared as military. [passage omitted]

Regarding the statement today by some members of the strike committee saying that passengers had been placed in danger because of the agreement signed on 10 July between the Yugoslav Air Transport [JAT] and the Air Force command—which declared domestic commercial flights as military since the planes flew in the skies of the former Bosnia-Herzegovina and in the immediate vicinity of the no-fly zone controlled by the NATO air force—the federal flight control manager said that this was a "clear fabrication."

Flight safety in Yugoslav air space is not in jeopardy, Bilbija said. The fact that the no-fly zone is close to our border does not present any hazard. NATO aviation has not caused any incidents in Yugoslav air space that would pose any danger to air traffic, the federal flight control manager said.

RSK's Martic Stresses Need for Single Army

93BA1171B Belgrade POLITIKA in Serbo-Croatian 16 Jun 93 p 7

[Article by S. Beric: "A State Needs Only One Army"]

[Text] Borovo, 15 Jun—Milan Martic, minister of internal affairs in the RSK [Serbian republic Krajina] government, has recently been making frequent visits to the Serbian Oblast of Slavonia, Baranja, and Western Srem. These visits have become more frequent since the attempt to bring down Ilija Kojic, chief of the Vukovar SUP [Secretariat for Internal Affairs] and Martic's deputy, and the conflicts well-known to the public with Zeljko "Arkan" Raznatovic and his Serbian Volunteer Guard. Milan Martic also recently attended a meeting of the Oblast Council of the Serbian Oblast of Slavonia, Baranja, and Western Srem in Borovo, which was also attended by Goran Hadzic, president of the RSK.

Martic does not relate his visits to the events referred to. He says of the situation on the territory of the Serbian oblast that it is more and more satisfactory, and the meetings and agreements, through civilized and constructive dialogue, are contributing greatly to a constructive solution of all the problems.

One of the vital issues here, according to Martic, is definition and demarcation of powers between the Oblast Council of the Serbian oblast, the opstinas, and the republic government. Crossovers and conflicts between these jurisdictions are causing big problems. He also says that the government's decisions are not being implemented in certain parts of the RSK and powers are thus being usurped.

Recently, there have been more frequent open threats from Croatian President Tudjman. We asked the RSK minister of internal affairs whether the assessments are actually realistic that Croatia will carry out a new aggression against the RSK?

Although he thinks that aggression against the RSK is realistic, "the war option is one possibility for Tudjman," Minister Martic believes that the figures on 200,000 Croatian soldiers mobilized are inflated. However, large forces of Croatian formations are in fact concentrated in huge numbers on the borders with the RSK, especially toward Dalmatia and Lika, Martic says.

Aside from these topics which are hot at the moment on the territory of Slavonia, Baranja, and western Srem, the recent conflicts in which Minister Martic was one of the participants are also topical. After the open conflict with Zeljko "Arkan" Raznatovic and the attack on the SUP building in Vukovar, that is, the attempt to bring down the head of that SUP, passions have slowly simmered down. Several meetings have been held in which Minister Martic accused certain individuals of having illegally placed themselves at the head of paramilitary formations.

"It is not permissible for paramilitary formations of individuals which are not part of the government system to wield authority on any part of the territory," says Milan Martic, RSK interior minister. "In a state, there can be only one army and one police force, and any third organization is an antibody. This will be fought to the end and we will strive to get rid of those formations. One of the paramilitary formations is Arkan's Guard. It is absurd for anyone to have private units."

According to Milan Martic, all individuals and groups may be useful only if they are part of a system, but no one can have a private army. Minister Martic has therefore demanded that the issue of Arkan's Guard be resolved, and the answer he got is that the Serbian Volunteer Guard is becoming part of the army of the RSK, under command of the Eastern Slavonia Corps.

Serbia

BORBA Chief Editor Replaced

AU0907142093 Belgrade BORBA in Serbo-Croatian 9 Jul 93 p 1

[Unattributed report: "Slavko Curuvija Acting Chief and Responsible Editor"]

[Text] The managerial board of the BORBA stockholding company, at the session of 8 July 1993, passed a decision to relieve Manojlo Vukotic, chief and responsible editor of BORBA daily, of his duty.

The decision of the managerial board is based on the opinion of the majority of its members that Vukotic had overstepped his authorities and in this way harmed the reputation of this paper and the interests of the stock holders.

BORBA editor and commentator Slavko Curuvija was elected acting chief and responsible editor.

After the session of the managerial board, the BORBA editorial staff resigned.

Draskovic's Wife Released From Neurosurgical Clinic

AU1207182493 Paris AFP in English 1801 GMT 12 Jul 93

[Text] Belgrade, July 12 (AFP)—Danica Draskovic, wife of Serbian opposition leader Vuk Draskovic, was released from a neurosurgical clinic here Monday [12 July], the Serbian Renewal Movement (SPO) said in a statement sent to AFP.

She will continue to receive physiotherapy, the SPO statement said, for injuries received during a severe beating at the hands of Serbian police when the two were arrested last month.

The couple were detained after violent clashes in Belgrade on June 2 between opposition groups and police, on charges of fomenting the violence.

Serbian President Slobodan Milosevic on Friday [9 July] ordered the couple's release, although they could still face charges of assaulting a police officer. If convicted they could be jailed for up to 10 years each.

Vuk Draskovic, weakened by a hunger strike, has been advised by his doctors to remain in hospital for a few more days.

Seselj: Problems With Bosnian SRS 'Temporary'

AU1207190493 Novi Sad DNEVNIK in Serbo-Croatian 7 Jul 93 p 5

[S. Risovic report: "The Sheep Must Be Separated From the Goats!"]

[Text] Dr. Vojislav Seselj and the top leadership of the Serbian Radical Party [SRS] have expressed their support for the shifts in the SRS of the Serbian republic. It seems that in that way a full-stop has been put on the Banja Luka case [in which there was a rift between the SRS of Serbia and the SRS in Bosnia], even though the regional SRS boards in Banja Luka, Knezevo, Celinac, and some other townships in the Bosnian Krajina seemed to support Banja Luka's suspended Radicals: Dubravko Prstojevic, Ljubomir Grbic, and Zivko Jovanic.

Wise Moves of Dr. Poplasen

"I believe these are only temporary problems in the SRS of the Serbian republic, that is to say of the Regional Board of the SRS of Banja Luka," Seselj emphasizes in his statement given exclusively to DNEVNIK, adding that Nikola Poplasen made some wise and excellent moves, because just as the sheep have to be separated from the goats, so a certain regeneration has to be made in the SRS. "Quite suspicious people sneaked into the party, with criminal records, and being disrespected in their own homes, let alone the environments they live in. I do not want to comment on the details of the Banja Luka case, but chairman Poplasen could and had to accept no ultimata from certain members of the SRS of the Serbian republic regarding some planned reshuffles, and appointment of "their" people. The Main Board of the SRS was familiar with and approved all Poplasen's moves, and there is nothing more to be discussed about those decisions," Seselj said.

Some more details about the shift in the SRS of the Serbian republic we heard from Aleksandar Stefanovic, secretary general of the SRS of all the Serbian countries.

We would have considered Poplasen to be an absolutely incapable man if he had summoned the assembly to solve those issues that he is able to solve alone, because now it is more important to have our representatives on the fronts, and in the front lines, than to have them sitting in assembly halls. The SRS does not need people with suspicious pasts who were quite deeply involved in crime. Poplasen did a very good job when he refused an ultimatum made by Prstojevic, Goran Banjac, and Jovanic, demanding that some people be suspended, and replaced with some "more appropriate" people.

As for the accusations regarding the firm of Radikal, Stefanovic underlined that its work would be thoroughly examined, because the SRS did not need problematic staff, and even less problematic firms.

New Expulsions

Encouraged by the support of the top leadership, the Main Board of the SRS and Seselj, Poplasen proceeded to clean up the party, suspending Kamenko Radjenovic, a member of the Regional Board of the SRS of Prijedor, who had sent a letter of support to the suspended Radicals in Banja Luka. Accounting for this one and other early suspensions, Poplasen says:

"Jovanic's contribution to the establishment and work of the SRS is not insignificant, but he had to be dismissed from the Main Board of the SRS of the Serbian republic because he sided with and supported suspended members Prstojevic and Banjac, who wanted to overthrow me, claiming that Seselj supported them. Grbic was suspended because it had been more important to him to hold meetings with Prstojevic and Banjac than to take part in meetings of the Main Board of the SRS. The SRS has to support the people with verified moral values, whose respectability and work will also enhance the respectability of the party."

Prstojevic further claims that Poplasen went beyond his authorizations and misused his position, because he ordered all the telephone lines in the office of the SRS of Banja Luka to be disconnected.

"Poplasen will have to explain many things to the public and the membership of the party, for instance how he smuggled the old communist Nikola Spiric into the party, a man who had been an official in the City Committee of the League of Communists of Yugoslavia in Sarajevo before the war. Or to explain to us why Poplasen himself was the commissioner of the Serbian Democratic Party in Vogosca [a suburb of Sarajevo], and knew about the Golf affair [in Vogosca there is a factory that used to make the Volkswagen model Golf]. Nor do I understand what Pantelija Damjanovic wants, 'allowing' me to live in the Serbian republic, but not to be a member of the SRS. I am the one, and not Damjanovic, who was twice wounded at the front, while I saw him there only once, in Posavina [in the Sava River basin], when he was giving small gifts to the fighters. If he thinks that this is the way to get hold of a position, he is wrong," Prstojevic says.

Izetbegovic on Ethnic Partition of Bosnia

AU1207194393 Belgrade BORBA in Serbo-Croatian 10-11 Jul 93 p 2

[G. R. report: "Partition of Bosnia Accomplished With Arms"]

[Text] Commenting on the Serb-Croat plan for a confederal Bosnia-Herzegovina, the leader of the Muslims in Bosnia and president of the rump Bosnia-Herzegovina Presidency, Alija Izetbegovic, said in a 90-minute interview to the Muslim Radio Television Bosnia-Herzegovina that accepting a confederacy actually means accepting the ethnic partition of Bosnia, and that the Muslims will only accept it if it is forced on them, or if the alternative is an endless war. A partition has already been accomplished with arms, and it is no use closing one's eyes in the face of this reality.

There is no sense in committing suicide by insisting on the war option, stressed the Muslim leader.

The Serbs and the Croats claim they do not want to live with us any longer. These are facts which have to be taken into account. It is not wise to keep spreading the illusion that the war will last until the Bosnian flag is once more soaring over Banja Luka or over some other Bosnian city. People should be told the truth, stressed Izetbegovic.

In answer to how the Muslim forces are arming themselves in conditions of the blockade, Izetbegovic said: "If I told you how we arm ourselves I would have to answer to the Committee for the Embargo."

Discussing the lifting of the blockade of Sarajevo, the Muslim leader stressed that in addition to negotiations with the Serbian side, there was also a headquarters for a military deblockade, comprised of military experts who were making plans and assessments for breaking through the Serbian lines around Sarajevo.

Problems With Serbian-Montenegrin Relations

93BA1177B Podgorica MONITOR in Serbo-Croatian 18 Jun 93 pp 14-15

[Article by Stanko Cerovic: "The Third Time, the Worst"]

[Text] This is not the only paradox in the disintegration of Yugoslavia, that it came down to a federation of Serbia and Montenegro. The only two states that existed before creation of Yugoslavia and the only ones not requiring any borders in the Balkans to be changed. That is, before World War I the Serbian national problem and the Croatian national problem existed, and they imposed creation of a joint state as the best solution. But if that problem is eliminated, i.e., if the Serbs and Croats undertake to resolve it in Bosnia the way they are doing today—with fire and the sword—then the very idea of a South Slav federation loses the meaning it had at the outset.

Which accounts for the feeling in both Serbia and Montenegro that some kind of Yugoslavia that would embrace only these two states is artificial and nonsensical. And that is the reason why relations between the two members of the federation are poisoned even now, full of ultimate motives and hidden objectives in which one can see the inevitability of constant conflicts, whose severity will depend only on the weapons the various sides possess. The government in Serbia and almost all the political parties, with the exception of the group of right-wing liberals around Vesna Pesic, see the new state as a Great Serbia. Except that the extremists around Seselj do not like the name Yugoslavia, while the more moderate parties accept the name as a cover or disguise for the reality of Great Serbia, if that can save them internal conflicts in Montenegro or with the minorities in Serbia. In Montenegro, again, they see that same reality, but they are attached to the form of Yugoslavia and its symbols, because in that form Montenegro also survives as an equal unit. This state, created on nonsensical violence and deceptions, if it is to remain, must be stabilized in one of these two directions: either only as an expanded and centralized Serbia or as a true federation of Serbia and Montenegro. In the former case, the problem of Montenegro might easily be aggravated all the way to armed conflict, in the latter Serbia would find itself in an impossible situation. It would have to make compromises, share responsibility and all the rest with Montenegro, which is so small and contributes so little in that federation that the alliance could not pay off at all.

No Alternative

This is the explanation of the steady deterioration of relations between Serbia and Montenegro and explanation of the fact that the Montenegrin Government and opposition seem much better, more democratic and civilized than those in Serbia—both the government and the opposition. After all, Montenegro is constantly supporting moderate leaders in Serbia: for example, Panic, it favors adoption of a peace plan in Bosnia, it wants ties with the West and the world, all of this not so much because of any democratic traditions, which Montenegro has not had, but because that democratic variant is the only possible policy in relations with a much more powerful Serbia. In Serbia, they also have no alternative except to try to eliminate Montenegro, because a democratic federation with such a small state, that would have to have the same vote as Serbia, does not pay. That is why recently Serbia's policy toward Montenegro has come down to supporting criminals, organizing Seselj's extremists, keeping the army on alert, to intervene, or, on the other hand, threats which have been reiterated even by Dobrica Cosic and Ljuba Tadic, that there will be a horrible civil war in Montenegro if it attempts to secede. There will not, of course, be a civil war, there are no conditions whatsoever for it, and that threat only signifies that the army and Seselj's extremists will intervene in Montenegro and that intervention will be referred to as a civil war for propaganda reasons. The situation is unhealthy, it is difficult for the state to be

able to evolve in a good direction, even under the most fortunate circumstances. For the simple reason that the very idea of this kind of Yugoslavia is unnatural.

And this conflict, which shows to what extent the idea of the Serbian nationalists in destroying the true Yugoslavia were naive and not thought through, is only the result of a disintegration of that Yugoslavia. For similar reasons, relations between Serbia and Montenegro were not the happiest even in the 19th century, with too great an emotional attachment of the peoples on the one hand, while on the other—and they go together—there was too much suspicion and deception.

Settlement of Accounts

That is the way it was at the time of the unification which in Montenegro was carried out by force, and that is how it has continued in the old and new Yugoslavia. The relationship was always unusual between the Serbs and Montenegrins. The Montenegrins went to Serbia in large numbers, especially to Belgrade, where they felt at home and behaved more heedlessly than at home. The Serbs in Montenegro were never that accepted: There was much less tolerance and openness toward them in Montenegro. At the same time, at the national level, the Montenegrins were unreserved Yugoslavs and were quite ready to abandon any independent Montenegrin institutions, while government in Serbia was very sensitive and aggressive on all matters of administrative domination. The symbol of the state and the like, that is where the tradition of nationalistic thought persisted. In any case, in Serbia the tolerance of the mentality, especially in Belgrade, toward all foreigners, to the extent that it could always be said that Belgrade was a Montenegrin city, was out of proportion to the intolerance within the framework of some imagined national project which is now being realized. It was precisely the opposite in Montenegro: complete political permissiveness combined with a very intolerant and aggressive attitude toward everything that seemed foreign and different. A Serb never felt as comfortable in Montenegro as the Montenegrins in Serbia. But rarely has there been a state that went to war so easily to defend another state as Montenegro did Serbia in World War I, only at the end of that war to be liquidated brutally and with great violence.

All of this can be seen today in the relations of these peoples: Weak undemocratic state structures generate troubles for everyone through hidden channels. Thus, between the wars the Montenegrins collected due payment from Serbia for their bad policy in Montenegro. Their student revolutionaries controlled Belgrade University and thus undermined a state which they did not like for 1,000 reasons, and then in World War II they brought it down. That tension, concealed from the view of the public, persisted even in the period of communism, with a pause of a few years when the Liberals headed by Marko Nikezic were in power in Serbia. This confusion, which could end up in bloodshed, has been particularly accentuated since Milosevic came to power. On the one hand, that entire program of realizing the Serbian national program: From the breakup of Yugoslavia, and then big wars, the creation of the Great Serbia, was clearly aimed against Montenegro. On the other hand, that Serbian extremism which intelligent Serbs know has destroyed Serbia more than ever in history is still being pursued by Montenegrins by descent or true Montenegrins. They were also the most aggressive toward Slovenia and Croatia, and they have been among the worst in the massacres in Bosnia. Serbia can also complain in turn that mad Montenegrins have brought it to ruin. And Montenegro can complain that Serbia wants to occupy it and destroy it, by violence if necessary. Neither of them has been happy in these relations of semioccupation such as prevailed in the first and second Yugoslavia, and it seems that they will be still worse in this third Yugoslavia, the most artificial of all: in which the conflicts have to come out in the open.

Serbia To Pay Pensions Acquired in B-H

93BA1171C Belgrade POLITIKA in Serbo-Croatian 16 Jun 93 p 20

[Article by Kosta Konstantinovic: "Serbia Will Even Pay Pensions Acquired in B-H"]

[Text] Better days have finally dawned for pensioners of the former Republic of Bosnia-Herzegovina who have permanent residence in Serbia. The Republic of Serbia has just assumed the obligation to pay even those pensions.

This is envisaged by a decree to that effect of the Serbian Republic [RS] government, which has just taken effect. The obligation commences as of 1 June of this year, which means that the first payment date falls at the beginning of the next month.

Appreciably More Money and Regular Payment

It is assumed that there are about 6,500 to 7,000 of these pensioners in the Republic of Serbia. The decree, that is, applies only to those pensioners of the former Republic of Bosnia-Herzegovina who as of the date when it takes effect (11 June 1993) had established permanent residence on the territory of the Republic of Serbia. It does not apply to the others, specifically the refugees.

Since back in April 1992, pensions have been paid to all of them by the Pension Fund of the Serbian Republic in Pale. Very tardily—for quite well-known reasons. The last check they received paid their pensions for this March.

In future, in addition to regular and prompt payment, they should also be receiving considerably more money than up to now. The pensions that have been paid by the Pension Fund of the Serbian Republic—compared to the amounts of these receipts and payments here, as well as prices—were less than symbolic. The decree of the Serbian Republic government will improve that appreciably.

That is, it provides that the amounts of these pensions paid for March 1992 (the last regular payment from the treasury of the former Self-Managed Community of Interest for Old-Age and Disability Insurance of the former Republic of Bosnia-Herzegovina) be adjusted in the same way as has been done with the entitlements of pensioners of the Republic of Serbia up through 31 May of this year. This means that in the accounting those pensions will be increased by the amounts of all increases which Serbia's pensioners have received over the last 14 months, and this will yield the amount to which they will be entitled beginning on 1 June of this year, which is now to come from the treasury of the Republic of Serbia.

In addition, the first check paid to them in the new way should also include the difference for the first five months of this year. That is, under the decree of the Serbian Republic government, they are also entitled to the "difference between the pension paid over that period (1 January-31 May 1993—author's note) and the amount of the established advance" in the manner set forth in the previous paragraph.

It is also important that in the future, beginning on 1 June, these pensions will be adjusted (upward) in the same manner as the income of pensioners in Serbia.

It is quite certain that these measures will appreciably improve the financial situation of pensioners of the former Bosnia-Herzegovina.

Immense Preparations Lie Ahead

Serbia has thereby assumed a new financial obligation of formidable size. But at the same time, it was also high time that something be done for these people and the members of their households. Nor are the pensioners from the other seceded republics of the former Yugoslavia in an enviable position, but, compared to those in which their colleagues from the former Bosnia-Herzegovina have been in up to now, even that status was something to be desired.

Meanwhile, this new decree requires very expensive and complicated preparations so that payments can begin somewhat later than the letter of the legislation states (early June). "We are already taking steps to prevent that from happening, at least for most of these pensioners, who obtained permanent residence on the territory of the Republic of Serbia before April of last year," we were told by Ilija Kujundzic, assistant director of the republic Pension Fund of employees for the electronic computing center.

The reference is to approximately 4,200 of these pensioners who before secession of the former Bosnia-Herzegovina were paid their entitlements through the Postal Savings Bank. It is calculated, that is, that thanks to this circumstance the necessary data can be obtained (the amount of the pension for March of last year, addresses, and so on). For this group, it seems, all the necessary preparations for payment in the new way can still be accomplished on time or with a slight delay. The problem, however, is more complicated for the other 2,000 to 3,000 of those pensioners of the Bosnia-Herzegovina who established permanent residence in Serbia no later than 11 June of this year. Here, it seems, a certain tardiness is inevitable.

"We still have to put in order records and the necessary documentation for them," Kujundzic says. "We are right now preparing an instruction to that effect for our field services in branches all over Serbia. And it is in the interest of those pensioners to report as soon as possible to those agencies, bringing with them the appropriate evidence concerning permanent residence in the Republic of Serbia, then the amount of the pension for March of last year, their present address...."

Data on New Interest Rates in Banks

93BA1172C Belgrade POLITIKA in Serbo-Croatian 11 Jun 93 p 11

[Article by B. Dumic: "300 Percent Per Month on an Overdraft Not Permitted"]

[Text] New and higher rates of interest took effect yesterday (they will be published today in Beobanka) in almost all the commercial banks. Actually, new interest rates paid took effect on 4 June in Investbanka, while the lending rates will be applied only as of 1 July.

Exactly as was announced, and also expected, interest rates on savings, which are of the greatest interest to the public, although they have been liberalized by the most recent decision, have not become attractive at all. What is more, the new interest rates do not cover even the percentage of inflation, so that unless the banks decide to increase them in the foreseeable future, the question is whether anyone is going to save in the future at such rates.

Thus, in Jubanka the monthly rate of interest on savings in time deposits ranges from 50 percent for one month to 100 percent for three days [as published]. The most recent interest rate on sight deposits is 25 percent on current accounts and giro accounts, an interest of 230 percent is collected on a permitted overdraft or a loan (up to 30 million), but 300 percent on an overdraft that is not permitted. In this bank, they also add that they have special arrangements for special savings contracts.

Jubanka has also set new lending rates of interest for the economy, which range from 205 to 230 percent, while the interest paid on time deposits range from 45 to 100 percent.

In Slavija Banka, they are again offering the public treasury bills, which are more attractive than conventional savings, bearing a monthly rate of interest of 150 percent and a term of 95 days. Interest on an allowed overdraft is 160 percent, while on an overdraft not allowed it is 250 percent. They have also set their lending rates for the economy in this bank: from 185 to 225 percent.

Milomir Spasic, general director of Slavija Banka, says of the newest interest rates that they are nevertheless better than what we have had up to now. "The economy cannot pay higher rates of interest, and everything that has happened to the banks is the consequence of the two-month restriction on interest rates."

But higher new interest rates on savings went into effect as of yesterday in Investbanka as well. The rate of interest on sight deposits is 20 days [as published], 155 percent for one month, and 215 percent per month for 36 months. As it has up to now, beginning next week this bank will also offer treasury bills for a term of 95 days, the interest rate will be 195 percent, while on sight deposits it is 155 percent.

Measures Against Jugoskandik Detailed

93BA1171A Belgrade POLITIKA in Serbo-Croatian 16 Jun 93 p 11

[Article by Goran Volf: "Temporary Measures Instituted at Jugoskandik DD and Jugoskandik Petrol"]

[Text] The decision to initiate preliminary proceedings to ascertain the conditions for initiating bankruptcy against Jugoskandik DD [joint-stock company] and Jugoskandik Petrol came down yesterday from the District Economic Court in Belgrade sometime before 1200 hours. That decision was adopted a day earlier by the bankruptcy panel of three judges: Milenko Ristivojevic, presiding judge, and Dusan Marcicev and Dragan Rasic. The court also adopted a temporary measure prohibiting all authorized persons from any disposition of the property of these two firms.

In practice, this means that as of yesterday noon anyone who does anything with Jugoskandik's property is committing a crime, because he is acting against a court order. The court's purpose was to prevent further stealing of the property of the "empire" of Jezdimir Vasiljevic after his spectacular flight from Belgrade to Israel. According to Judge Ristivojevic, this protects creditors and their rights to obtain proportionate settlement should bankruptcy be declared.

Pressure From Depositors

These preliminary proceedings actually do not necessarily signify bankruptcy of Jugoskandik DD and Jugoskandik Petrol. The court is now studying the possibilities of "involuntary settlement and access to the debt" and has already set a date. The judges are rightly concealing from the public the date when it will be held. That is, even yesterday dozens of depositors opposing bankruptcy proceedings were gathered in front of the courthouse in Masarikova Street, but also inside the building; there are others who favor it, but the victims of it all are the judges, who are working under impossible conditions. Armed guards are protecting them from the annoying and exasperated depositors.

If involuntary settlement cannot be accomplished with the help of experts and other evidence, the financial condition of these firms is established in economic terms and a decision is made on that basis as to whether to go ahead with bankruptcy or not. These legal proceedings are not conducted by the court panel, but by a bankruptcy judge. Judge Radomir Lazarevic has been designated to do this for both firms.

The same measures were instituted two months ago against Jugoskandik Savings Bank. These three firms of Master Jezda were doing business as three independent entities. Thus, several objections were lodged against the temporary measures for Jugoskandik Savings Bank, but the District Court rejected them all, and now they are all in the Superior Economic Court. At this point, everyone knows that immediately after adoption of these measures the Jugoskandik vault was robbed in a fashion seen only in American detective films.

Disorder in Business Books

At that time, the Jugoskandik vault held the property of Jugoskandik Savings Bank, Jugoskandik Petrol, and Jugoskandik DD. Then there were a number of robberies of various warehouses, and the general plundering continued. There were mysterious distributions of the remaining money and assets. The Agency for Settlement and Financial Supervision established after an audit of the business operation of these firms that books of account either do not exist or are in a horrible state of disarray and also that the condition they show does not square with reality. They simply did not show the assets held by these three firms and what belonged to whom. They were ordered to bring the books into line with reality, but because that was not done, on 10 June the Agency for Settlement and Financial Supervision filed a recommendation to institute bankruptcy proceedings as an authorized proponent. It was pointed out that the firms could not discharge their obligations on a lasting basis, which is the legal basis for instituting these legal proceedings.

A commission has now been established to take an inventory of all the property of Jugoskandik, and when the court receives this list of assets, it will decide how they are to be preserved in the future. It has been ordered that the inventory cover all movables and immovables, money, foreign exchange, and securities. The Settlement Agency has been ordered to prohibit any payment whatsoever from Jugoskandik's accounts.

The temporary measure has been sent to the debtor, the Settlement Agency, all opstina courts where the thousands of cases of involuntary collection are outstanding, and also to the republic Public Revenues Administration so that from now on even the government cannot collect taxes.

"The court has rendered all decisions completely independently," says Judge Milenko Ristivojevic, the presiding judge on the bankruptcy panel. "All those who talk about pressures of some kind do so without basis.

Pressure is being exerted only by the depositors, who are gathered every day in front of the courthouse. This greatly hinders our effort, but it has no influence on us whatsoever."

[Box, p 11]

What Will Happen to Jezda's TV?

It is well-known that aside from his most lucrative firm—the savings bank—Jezdimir Vasiljevic was also the founder of two television stations: MV Channel Real Times and Palma Channel. But the other founder of these two television stations is of much more interest to the public. This is Miodrag "Miki" Vujovic, a lawyer and member of the Executive Committee of the Socialist Party of Serbia [SPS], responsible for its finances.

The radio and television firm was given the imposing name International Holding Company [IHC], with headquarters at No. 73 Car Dusan Street in Zemun, and was established on 17 October by Miodrag Vujovic. The next year [sic] the firm was joined on 24 August by the firm Jugoskandik DD with only 1,800 dinars of founding capital, while the attorney Vujovic invested "all of" 200 dinars. IHC thus belonged to Jugoskandik, which put up 90 percent of the capital, while only 10 percent was Vujovic's. The firm Palma Ltd did business within the framework of the IHC, which owned 51 percent of Palma. The TV channel Palma got its name from this firm. This channel is well-known to the general public and viewers for its broadcasting of sports events, but also for new popular music and pornographic films.

If Jugoskandik DD goes into bankruptcy, the bankruptcy estate will also include that firm's equity in International Holding Company. Analogous to yesterday's institution of temporary measures, Jugoskandik may not sell or alienate its equity in IHC or all that it owns of the Palma Channel and firm through that company.

If bankruptcy of Jugoskandik DD is initiated, then the 90-percent share of Palma will be sold at auction in order to meet obligations to depositors and other claimants. The bankruptcy administrator, who is appointed by the court, would "manage and conduct" that portion of IHC and Palma which belongs to Jugoskandik in proportion to its share in the founding capital. Thus, a judge could become the editor of Palma.

Fate of Jugoskandik Owner's TV Channel

93BA1172B Belgrade POLITIKA in Serbo-Croatian 18 Jun 93 p 9

[Article by Goran Volf: "Master Jezda's TV Fog"]

[Text] The court decision against Jugoskandik Petrol, Jugoskandik DD [Joint Stock Company], and somewhat earlier also against Jugoskandik Savings Bank, to institute proceedings to establish conditions for commencing bankruptcy has taken effect. Mandatory settlement is not likely to be successful, because it is hard to imagine that it will be possible to pay all those who trusted Jezdimir Vasiljevic and his firms with their money. Bankruptcy is almost inevitable. And in that case the most important thing is what will be included in the bankruptcy estate from which depositors might possibly obtain a few of their dinars.

While Master Jezda was at the height of his power, he was distributing money, which he obviously had no trouble getting, "by the handful." A great deal was taken out of Yugoslavia, but something nevertheless did remain in various firms that did business under the name Jugoskandik or some other name. The commission established by the District Economic Court is now working on an inventory of all the property that in any way belongs to Jugoskandik's firms, although all three are completely independent juridical persons and independent in their business operation. To make it all more difficult, Master Jezda frequently hid the traces of his trickery, mainly by changing the location of the headquarters of his firms, transferring ownership from himself or Jugoskandik to his minor son, Stefan.

The Mysterious Owner

The job of the court in establishing and inventorying everything that in some way belongs to Jugoskandik will not be an easy one at all. It is difficult for even the best agents to pin down the details, because the man who knew most of it is in Israel, the business books are in disarray, and the court must stick to the facts as proven.

For those who did not save their money with Master Jezda and who like the latest thing in music, athletics, or indeed pornographic films, the fate of the TV channels Palma and MV Channel Riel [as published] Times will be the most interesting. The latter is also well-known as "Jezda's channel" or the "Jugoskandik channel." Few people know to whom Palma belongs. In "confidential" Belgrade circles, it has been said that this is the television station of Miroslav Vujovic, lawyer and member of the Executive Committee of the Belgrade City Committee of the SPS [Socialist Party of Serbia] and chairman of the Commission for Finance and Materials.

However, Miroslav Vujovic is the owner of only 10 percent of Palma while 90 percent of the founding capital was furnished by Jugoskandik. The shares of founding capital, as we have written, were actually symbolic. On 17 October 1991, Vujovic established the firm Palma Ltd, and on 24 August 1992 he was joined by Jugoskandik DD. Vujovic put up 200 dinars, and the "powerful" Jezda all of 1,800. Behind everything, there is the radio and television firm International Holding Company [IHC], with headquarters at No. 73 Car Dusan in Zemun. The ratio in ownership is again 9:1 in favor of Jugoskandik.

To make it all just a bit "cloudier," IHC owns more than 51 percent of Palma. A certain Muniba Hamzic was first entered in the court register as the first director of Palma, but on 22 May 1992 Aleksandar Mrvic, who until then had been her deputy, became director.

The New Boss Is an Underage Son

The equipment now in the possession of the Palma studio, which is located in the former Tas Club 202 in the Tasmajdan Stadium, is mostly leased, from what we have learned. The employees in that TV station have not received their pay, although it should have been paid them back on 5 June. By all appearances, their fate is extremely uncertain. They may disappear from the scene with the same speed with which the "mysterious gentleman with the hat and white cigarette holder" became the richest man in this part of the world.

According to the statement made personally by Miodrag Vujovic, director of International Holding Company, MV Channel Riel Times belongs to Jezdimir Vasiljevic and Jugoskandik DD. Yesterday, that channel was also in court because of an unauthorized broadcasting of Formula 1 races and tennis matches. The plaintiff is UFA Media, a firm which says that it bought the rights to show these sporting events. The plaintiff is seeking a ban on the operation of MV Channel Riel Times. The verdict is awaited.

People who are well-informed say that in practical terms this TV station is worth little. Stated in ordinary language, it consists of a fairly strong antenna which is redirecting signals, taking what it chooses from satellites. In addition, they also broadcast films, and there is minimal human involvement.

Stevan Protic, the lawyer who since the flight of Jezdimir Vasiljevic from Yugoslavia has been acting director of Jugoskandik, announced on 19 March that the magazine BIG is the property of Jezdimir Vasiljevic, that the equipment for MV Channel Riel Times was imported through Palma Ltd, that the owner of the Palma studio, all the equipment, and everything comprising that channel is now Stefan Vasiljevic, Jezdimir Vasiljevic's minor son. However, if all of this is true, Master Jezda has in this case left fog even to his own son. The space occupied by the Palma studio is rented, and the equipment, except for four TV's and the same number of VCR's, is also leased.

Nevertheless, according to some stories, before Vasiljevic left the country, he left 750,000 German marks [DM] behind for television. That money was turned over in cash to a person he trusted. Who that is, is yet to be discovered.

Suspicions are piqued by the fact that Palma's directors are sitting in a building on Student Square, one of the best-known buildings. Channel 12, which Palma was supposed to use, is a channel very hard to get, because this is a frequency covering the entire territory of Serbia and one which even the army would have trouble getting without very strong connections.

Another very strange thing in all this is that the Palma channel began to broadcast on 18 March of this year, that is, 10 days after Master Jezda fled.

Opening of Zanti Savings Postponed

93BA1172A Belgrade POLITIKA in Serbo-Croatian 18 Jun 93 p 9

[Article by B.D.: "Zanti Is Reopening Its Doors at the Beginning of July"]

[Text] Depositors in the Zanti Savings Bank, closed since the beginning of April, first received a notice that they would be able to obtain a part of their balance in the middle of this month. However, the payment date has been moved to 1 July.

Dragica Vicentic, owner of the Zanti Savings Bank, explains that she was compelled to cease operation temporarily and extend the "time out" above all so that she could settle the savings bank's legal status, so that she would be able to meet her obligations to depositors promptly. That is, she explained, support of the Monteks Bank, with which the savings bank was associated, had been refused. Nevertheless, there are prospects for Zanti to continue to operate as a bank.

What is more, Mrs. Vicentic said, the savings bank has an immense administrative and financial job to do, and nervous depositors often get in the way of personnel: They threaten them, they even assault them physically. This is the reason why Zanti closed its doors entirely, and the owner had to hide in a safe place, but she did not flee.

"Unless all the depositors realize that Zanti and its customers have the same interest, and that is survival of the firm and payment of deposits, the personnel and I will be without a job, and they will be without their money. Personal security is the only reason why I am not in the savings bank to explain to everyone who comes the reasons for shifting the payment date," is the message from Mrs. Vicentic.

In any case, the Zanti Savings Bank, according to its owner, has about 2,500 depositors. Foreign exchange is in time deposits for terms from one to 12 months, and the last monthly payment was 25 percent. All depositors who have not yet been paid foreign exchange can count only on the principle, according to Mrs. Vicentic's promise, and that only if the interest already paid does not exceed that amount.

Macedonia

U.S. Troops Arrive in Skopje

AU1207132093 Paris AFP in English 1236 GMT 12 Jul 93

[Text] Skopje, July 12 (AFP)—Two hundred and sixty U.S. troops arrived in the Macedonian capital Skopje on Monday, the first U.S. forces to participate in U.N. Protection Force (UNPROFOR) operations in former Yugoslavia.

The group forms the backbone of a 300-strong contingent of U.S. troops tasked with helping to keep the peace in Macedonia. They belong to the 502nd infantry division stationed in Berlin.

They landed in the civilian section of Skopje airport aboard two Starlifter C-141 transport planes.

Montenegro

Metropolitan Amfilohije on Situation in Serbia

AU1307083993 Hamburg DER SPIEGEL in German 12 Jul 93 p 116-117

[Interview with Metropolitan Amfilohije of the Orthodox Church in Montenegro, "who is considered as the most likely successor of Serbian Patriarch Pavle," by an unidentified DER SPIEGEL reporter; place and date not given: "Madmen Exist Everywhere"]

[Text] [DER SPIEGEL] Sir, Serbia is developing into a police state, opposition leader Vuk Draskovic and his wife were almost beaten to death. Is the resistance of prayer still sufficient?

[Amfilohije] This aggressive regime in Belgrade is not able to hold a normal political dialogue. They are acting on the basis of the methods and structures of the communist system.

[DER SPIEGEL] Then why are the dignitaries of the Serbian Orthodox Church still sitting beside the functionaries of this regime in many state ceremonies instead of boycotting them?

[Amfilohije] We have sharply distanced ourselves from them several times, and we have demanded a government of national salvation, with personalities who have not yet lost their moral credibility.

[DER SPIEGEL] And what did you advise Serbia's President Milosevic, when he made propaganda for his policy in the Patriarchate?

[Amfilohije] No one had ever told him what he heard in this Patriarchate. Patriarch Pavle called on him to immediately end this war and to resign.

[DER SPIEGEL] And what did Milosevic say?

[Amfilohije] He was outraged and said: And to whom should I leave the power?

[DER SPIEGEL] Patriarch Pavel reminds the Serbs of their heroism in all pubic appearances. Is not the constant myth of the Serbian people who came from Heaven and its duty to sacrifice itself, to die in the "Holy Battle," fanning the hatred between the peoples?

[Amfilohije] The decision for the kingdom in Heaven may be a fiction for others, but it is an inseparable part of our people's ethos. However, I admit that this readiness for sacrifice is often expressed in an irrational way, in a typically Jewish, Biblical sense, so to speak. However, this awareness has existed since the 14th century, since the battle against the Turks in Kosovo.

[DER SPIEGEL] Today, Kosovo is mainly inhabited by Albanians.

[Amfilohije] Kosovo is a serious problem. A humane solution must be found, because, on the one hand, there is the historical right of the Serbian people and, on the other, there is reality. The development of the population there is of an unnatural origin, the result of the centuries of Ottoman occupation.

[DER SPIEGEL] Taking reality into account, would the Orthodox Church agree to a division of Kosovo between Serbia and Albania—which former President Cosic was considering?

[Amfilohije] This would be very difficult for us, because any unification of Kosovo with Albania would destroy the century-old tradition of our church in these areas.

[DER SPIEGEL] Many people believe that Milosevic wants to solve the Kosovo problem by driving away the Albanian inhabitants.

[Amfilohije] I think that, after the disaster in Bosnia-Herzegovina, no normal person in Serbia is striving for a continuation of the war.

[DER SPIEGEL] Are you sure that Milosevic is thinking like that?

[Amfilohije] Well, madmen exist everywhere, but their days are numbered.

[DER SPIEGEL] But, after all, you agree with Milosevic that those truly responsible for the Yugoslav war are in the West?

[Amfilohije] The international community is immoral; we are all massacred by it. Hardly had the Germans been united before they began to implement Hitler's plans of 1941 and to destroy our territory. Now they want to take away the little piece of bread that we still have and impose sanctions against the much-suffering Serbian people.

[DER SPIEGEL] Sir, are you not also succumbing to the Serbian trauma of comparing the West with high priests who are killing the Serbian sacrificial lamb?

[Amfilohije] Are the Western politicians angels and the Serbs criminals? Don't make me laugh! If this were true, I would ask God to act as in the Old Testament: When Jonah went on the boat and the boat was caught in a heavy storm, one sinner had to jump off to save the boat. Jonah was thrown into the sea and the sea calmed down. If we are Jonah, God should immediately throw us into the sea to save this good, moral world.

Speculation on Possible Montenegrin Independence

93BA1156B Belgrade VREME in Serbo-Croatian 14 Jun 93 pp 17-18

[Article by Velizar Brajovic: "Montenegro: Wresting Free From the Embrace"]

[Text] *In the event that Montenegro does in fact decide in favor of a separate, sovereign state—and under the Constitution that is possible only by referendum—conditions there are such that the question of what would remain of it is justified.*

"I definitely do not believe the talk about how immediately after Montenegro secedes it will get its just reward—the lifting of sanctions against our republic—because right now there is not a single reason to believe such a promise, which, indeed, no one has made." When Prime Minister Milo Djukanovic said this at the most recent session of the Montenegrin Assembly, a question arose among analysts: Who is threatening whom now? Especially since Prime Minister Djukanovic added immediately that even in the event that all this is promised, "I personally—I repeat: personally—would never agree to it, because this is not a question to be decided by the international community, nor by the government and the Assembly, but rather by the citizens of this state." Through the reaction of the Montenegrin authorities and media to events in the federal parliament and on the streets of Belgrade, however, these same citizens were offered arguments concerning the question of who will initiate a new authentication of the citizens' will on Montenegro's status under international law, and when. This confusion was also present at the most recent session of parliament. The conviction that the recently created community of states is being maintained by force on excessively corroded foundations is gaining ground.

Slalom

The general impression is that the Montenegrin authorities have decided in favor of yet another slalom, but this time only after bluntly telling the Belgrade regime that the new Yugoslavia will exist only in the event of full equality among its member-states; otherwise, it will not exist. The ruling party invited the other parliamentary parties to join in drawing up a joint document condemning the workings of the federal parliament and the repression of the Slobodan Milosevic regime on the streets of Belgrade. The statements by high-ranking officials and the reaction of the state media, in the event that the common state founders, clearly address the offender and Serbia's pronounced shift to the right. For the first time, the ruling team was not bothered by bitter attacks by opposition parties against the Belgrade regime, while on the eve of the Assembly session reports were coming in from innermost government circles that the decision to schedule a new referendum was being weighed "higher up." In the Assembly lobby, a high-ranking official said in a statement for VREME that now is a very auspicious moment to wrest free from the embrace of Slobodan Milosevic, but that all appraisals conclude with the question of how much bloodshed this would cause. On the other hand, he asserts that the government here is genuinely interested in a common state, but that the belief that it will survive is growing ever weaker for the simple reason that the Belgrade regime has completely different goals and that approval for that regime is practically obliterating Montenegro, reducing it to one of 10 fictitious regions.

In the event that Montenegro does in fact decide in favor of a separate, sovereign state—and under the Constitution that is possible only by referendum—conditions there are such that the question of what would remain of it is justified. In other words, would it be reduced to several of its previous Ottoman-era districts, with the proclamation of autonomy for a larger part of Montenegro? Given the current balance of power, this could be implemented, because the Armed Forces of Yugoslavia, our source emphasized, is under the command of Belgrade, while in Montenegro itself there are tens of thousands of well-trained fighters for the Serb cause. Podgorica's move depends on Belgrade's move, but what move that will be will be dictated by the steadfastness of the Montenegrin leadership in its decision to allow neither more nor less rights for itself in relation to the rights desired by Serbia in the common state; even though all the seams have burst over this question.

Montenegro did not mourn very much for President Cosic, but in the end it identified the danger from the calamity that it is doing its best to avoid. In the end, it announced that it would respond to every attack with a counterattack. In these operations, the media will be the most lethal weapon, because now it will be possible to explain to the public what is behind each move, or rather to prepare the public for logical moves regardless of the consequences. This is the basis for interpreting last week's commentary by POBJEDA entitled "That Is How a State Emerges"; in it, Cosic is quoted as saying that "there is no such thing as Yugoslav foreign policy, there is only Serbian policy, which has usurped federal policy—and Montenegrin, which is trying to emancipate itself from it," after which he concludes that Montenegrin diplomacy has become a first-rate political factor. Author Ljubisa Mitrovic explains why Montenegrin diplomatic activity is eliciting the suspicion of the political bloc that identifies with "Serbdom," concluding that "the difference between a state and ordinary autonomy is the possibility of separate foreign-policy activity." It is too early to say whether Montenegro has definitively chosen that course, although the just-announced overthrow of Minister Lekic was pigeonholed over night. Perhaps in part because the extremists behind the overthrow, who see the regime of Slobodan Milosevic as the savior and protector of Serbdom, especially of the Serbs in Bosnia-Herzegovina, have amused themselves with every misfortune, their membership is being arrested for the unauthorized possession of weapons and for participating in terrorist campaigns.

The fact that new tensions in relations with Belgrade are looming was confirmed by the first meeting between the three prime ministers, where bitter skirmishes erupted between Djukanovic and Sainovic. This was followed by another tripartite meeting, after which Prime Minister Djukanovic, accompanied by the dispirited Prime Minister Kontic, informed the Montenegrin parliament of an important agreement—to transfer all matters that are under the jurisdiction of the federal state to the federal government. It is unknown who gave in, but a "cease-fire" emerged that was welcome to all parties. Time will tell whether the work of federal institutions will meet with Montenegrin discontent.

Montenegro does not have its own Topcider, but it did recently open its own treasury vault, which is also a thorn in the side of the guardians of the interests of Serbdom in Montenegro. The Serbian radicals reacted sharply to this as well, although this did not particularly agitate anyone. Discussion of the catastrophic consequences of the international community's sanctions ended with the conclusion that it is impossible to live under the sanctions and that everything possible must be done on the foreign-policy front to convince the world of Montenegro's sincere intentions, the reward being at least a partial v easing of the sanctions, i.e., application of the so-called Iraqi model. Djukanovic reacted sharply to assertions by deputies from the Montenegrin bloc that lifting the sanctions will lead to secession from the regime of Slobodan Milosevic, but at the same time he did not attempt to explain how to go about winning over international public opinion without clashing with Belgrade. Nor was there any explanation of what actions the multiparty parliamentary commission will take, which is supposed to visit all relevant factors of the international community and offer them the truth about Montenegro. What will be declared to the world if the prime minister concludes at one point that "the international community has proven to be an unreliable partner" because it is unwilling to take us at our word? What will happen if the Montenegrin authorities insist that observers be deployed along the borders, while Belgrade stubbornly opposes this idea?

Incident

The apparent leap of the Montenegrin leadership into independent waters has been inhibited by various threats, most of all the threat that all the results of diplomatic activity can be destroyed by pressing one button. It is in this context that the recent tragic incident with the Italian fishing boat must be seen, which drew into question the Italian Government's promise to provide humanitarian aid. The public is still not convinced that opening fire on the fishing boat was justified, nor that this "zeal" was not in fact a reaction to Minister Lekic's visit to Rome. It should be recalled here that Italy has supported the reinstatement of the Bar-Bari ferry boat line and of the commercial hydrofoil, which was Montenegro's only outlet to the world until the sanctions were tightened. The Italians were able to seize both the ferry boat and the hydrofoil, but they gave timely notice that the vessels would not be leaving port, because they too were forced to apply the international community's tightened sanctions.

The attempt to normalize relations with other neighbors as well, especially with Croatia, is being aggravated by events that have not been publicly cleared up. The Armed Forces of Yugoslavia persistently announces that the Croatian side is continually causing incidents, that it has already committed 110 of them, while the police under the control of Podgorica immediately comes forward with the announcement that there have been no incidents whatsoever in their zone of responsibility, which confuses the public. Neither the government nor the police has any comment on the announcement by the Armed Forces of Yugoslavia. This is being discussed with Belgrade behind closed doors. However, one minister in the Djukanovic government explained to VREME what is going on here: "Under a decision by the military top brass, the borders cannot be guarded by recruits, only by reservists. The mobilization callup in Montenegro was responded to by few members of the DPS [Democratic Party of Socialists], liberals, the People's Party, so that the border guards are primarily members of the radicals and other 'patriotic' parties. They often carouse at the border, and the attitude of their parties toward the borders with Croatia and Bosnia-Herzegovina is well-known...."

Behind Bars

On the other hand, Montenegro has declared war on terrorism. The radicals have protested this and get mad when it is announced that members of their party have been arrested, even going so far as to allege that there are no arrested individuals in their membership records, while it is possible that the arrested people have in fact depicted themselves as radicals. Among those arrested are the murderers of Branko Djukanovic, who was killed while firing on shacks that mostly housed Muslims, and another 16 people have been arrested for the illegal possession and resale of weapons, bombs, explosives, and ammunition. The police reports that the majority of those arrested were involved in the Serbian Radical Party [SRS]. In Niksic, the chairman and vice chairman of the local radical organization are also behind bars. A similar campaign is under way in Pljevlja, and we have learned that the names of the perpetrators of the attack on a van full of Muslims are already known, and that the persons who planted explosives in Pljevlja shops have been captured. To top it all off, it has been announced that the public prosecutor has revived the criminal charges against Milika Ceko Dacevic, for acts that carry a possible prison sentence of 10 years. There is no doubt that a hard fate also awaits the war criminals who have found refuge in Montenegro. Seselj has yet to react to the moves by the Montenegrin authorities, while all of this is making the radical leadership visibly nervous, apparently reconsidering whether to do what they must do or to find a more conducive setting for their activities.

However, the radicals have begun to vehemently accuse people from the DPS government of criminal activities. The leader of the DPS parliamentary caucus, Predrag Bulatovic, gave SRS deputy Acim Visnjic the opportunity to tell everything that he knows about this. Granted, this gesture very much resembles a skillfully constructed scenario, because the revelation of any objectionable element in the ranks of that party could sap the attacks and charges that the party leadership is involved in various criminal dealings. It appears that the authorities have already decided whom they will sacrifice, but there have long been stories indicating that many other affairs could be disclosed by Belgrade, which at a time of increasing impoverishment could be dangerous for the Montenegrin leaders. For now, Mr. Blagoje Lucic and Mr. Branko Avramovic stand an unmistakably good chance of playing the main roles in the Montenegrin ministerial affair; for too long they have been indicated as the perpetrators of many illegal dealings. They were not present at the most recent session of parliament, but none of their party comrades even attempted to defend them against Acim Visnjic's virulent words, like a month earlier when Visnjic was rudely deprived of the opportunity to speak. This time, he was even cordially asked to tell what he knows, including first and last names, and to propose a method for verifying and clearing this up once and for all. Will this eliminate "internal" enemies and convince the public that the people most to blame for their indigence have ended up where they belong?

Montenegrin Democratic Forum Monitors Human Rights

93BA1177C Podgorica MONITOR in Serbo-Croatian 18 Jun 93 p 23

[Interview with Dr. Avdul Kurpejovic, president of the Democratic Forum for Human Rights and Interethnic Relations, by V. Koprivica; place and date not given: "On a Humane Mission"]

[Text] [Koprivica] The other day marked the anniversary of one year since a group of intellectuals established the Democratic Forum for Human Rights and Interethnic Relations of Montenegro. Mr. Kurpejovic, what have been the most important activities of this nonparty and humanitarian association?

[Kurpejovic] I would single out four areas of our activity. These are the gathering of information about the forms and methods of threats to human rights in Montenegro, activities concerning the problems of refugees, especially from the standpoint of the Geneva Conference, reaction in connection with ethnic cleansing and the expulsion of citizens of Muslim nationality from Trebinje and concerning mobilization of refugees from the so-called Serbian Republic, and the initiative to disarm the civilian population in Montenegro.

[Koprivica] What have you learned about the threat to human rights and liberties in Montenegro?

[Kurpejovic] We have documented for the public the high degree of threats to human rights and liberties in our republic. Among other things, many of our citizens are often in disfavor because of their political convictions, great numbers are in need, their insecurity because of the nationalistic activity of groups and individuals is evident, they are exposed to injustice of every kind, and, as is well-known, we have also had in Montenegro several cases of threats to the lives of citizens coming from paramilitary groups. To recall, these are the well-known events in Pljevlja Opstina, the kidnapping of a group of citizens from a train on the Belgrade-Bar line, the intimidation of citizens of Muslim nationality in the northern part of the republic, and the recent armed attack on several families in Niksic.

[Koprivica] All these cases mainly involved citizens of Muslim nationality?

[Kurpejovic] Yes. Members of the Muslim nationality have long been those most threatened in Montenegro, but Montenegrins have also been threatened although they are the majority population. From what we have learned from the northern Montenegrin opstinas, Muslims have been moving out in considerable numbers for months because their lives and property are in jeopardy. We think that this is a planned action in which government agencies are not taking appropriate measures to protect these citizens.

[Koprivica] You recently took up the threat to the lives of citizens of Muslim nationality and issued an appeal on that occasion.

[Kurpejovic] We are right now active in familiarizing the public with our appeal to the government of Montenegro to combat the violence and threat to the freedoms and safety of people because of their nationality. Adoption of that document was preceded by events lasting almost a year. The appeal contains our view of the phenomenon of ethnic cleansing of Muslims in Montenegro, and at the same time a demand addressed to the competent authorities to take steps to put an end to that evil. We are also calling for suppression of the violence against people solely because they are members of a particular nationality. Here again, it is a case of Muslims.

[Koprivica] What has been the impact of your recent initiative to disarm the civilian population in Montenegro?

[Kurpejovic] It has been favorably viewed by a number of institutions and individuals. Although the president of the Montenegrin Assembly responded very expeditiously that he would not put a debate in parliament on the agenda, it has nevertheless found its place in the resolutions concerning the political-security situation in the republic and also in the activities of law enforcement agencies in confiscating arms from individuals who possess them illegally. Unfortunately, the news media have not given adequate publicity to this initiative.

[Koprivica] The current Montenegrin government, it seems, is not exactly well-disposed toward the forum.

[Kurpejovic] The accuracy of that statement is confirmed by the fact that the work of the forum has not been supported with even basic conditions, there is no response to our offers for cooperation, and even very relevant and, it seems to us, useful proposals are not honored. The forum is ready to cooperate with all political parties and other forms of civic organization, and, of course, with international organizations when it comes to protecting human and ethnic rights and freedoms. In any case, the Democratic Forum favors a law-governed, independent, and sovereign state of Montenegro as a guarantee of the realization of human rights and liberties in keeping with international documents.

[Koprivica] With what is the forum involved at the moment?

[Kurpejovic] We are working to carry out a scientific and professional project which will show objectively and comprehensively how human rights and freedoms are being violated in Montenegro and how interethnic relations are being disrupted.

[Koprivica] Will the forum have the force to see through its noble mission and persist in its extremely delicate tasks?

[Kurpejovic] The membership and bodies of the forum are multiethnic in composition, there are people of all professions, age groups, and both sexes are represented. Every day new members are joining the Democratic Forum, especially intellectuals, and we also have a considerable number of collaborators, because our work and role are a challenge for all men of goodwill, because there is no more humane and honorable job than striving for the protection and realization of human rights and liberties.

Kosovo

Possible Escalation of Tensions in Province Viewed

AU1307122593 Pristina KOSOVA DAILY REPORT No 138 in English 12 Jul 93

[Unattributed report: "Who is Luring a War in the Balkans?—a Commentary of SHKENDIJA"—issued by the Democratic League of Kosova]

[Text] "New political implications in the Peninsula give signal for ever more dangerous times on the face of the impossibility for the peoples of the region to sit around a table to solve problems through talks" a commentary published in today's periodical SHKENDIJA of Prishtina, entitled "Who is Luring a War in the Balkans," says. Commenting on the vanity of the international community to do anything in such a situation, the comment goes on:

"To the gradual American involvement in the center of the Balkans the Belgrade regime responded with the expulsion of the CSCE Mission to Kosova, Sandzak and Vojvodina. The Serbian counteraction aims at raising tension in Kosova to a degree in which the patience of two million Albanians may explode, which would result in ending the Balkan status-quo. In such circumstances, regardless of the consequences, any one in the Balkans and Europe should understand that a nation of seven million may not remain indifferent and not unite in the defense of Kosova. Such an involvement would come also as a reaction towards the moderate option of up to date, and as a reaction towards international betrayal of Bosnia and shocking tolerance for the Serbs. This would mean that be transferring the war to Kosova, Europe too would definitely be accepting war," the commentary says.

In an (?unusual) tone SHKENDIJA goes on: "Continued insistence by the Albanians to solve their national problem through political tolerance, dialogue, and peaceful means have met international understanding. Furthermore, we have given proof of our ancient civilization and the sense of consideration for human being. However, such a fact does not mean that we could not oppose the occupier differently. Violence in Kosova itself excludes any dilemma, but Kosova is a wall difficult to be passed over. Those that live here know it best. Serbs know it too, as well as the others, who nevertheless continue to lure a war."

Police Drive 'Hundreds of Families' From Villages

AU1207160693 Tirana ATA in English 1202 GMT 12 Jul 93

[Text] Tirana, July 12 (ATA)—Everywhere in Kosova, the region of Dukagjin in particular, Serbian police regime exerted violence and repression against Albanians. Hundreds of Albanian families were driven out of the regions of Peja, Gjakova, Decan, Kilna, Istog and other parts. Twenty three villages in Decan commune were in police curfew, and 212 Albanian families were ousted. Former Albania militiamen, who were dismissed three years ago, are persecuted in particular. House searches have been made in over 50 families of these former militiamen.

Political subjects of Kosova have noticed that violence exerted in the regions of Dukagjin and others has assumed very dangerous proportions and the situation has become tenser. Activists of Albanian political parties are working in order to keep the situation under control. The meeting of the presidency of the Democratic League of Kosova in Decan underlined that the political situation is not good. The activity of the Albanian political forces in the villages of that commune and in the city has been intensified. Along this repression, the people are resolute in realising their solutions through peaceful and democratic ways. They are resisting and surviving even in these grave situation of Serbian regime violence.